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FERC GAS TARIFF

VOLUME NO. 1

of

OKTEX PIPELINE COMPANY, L.L.C.

Filed With The

FEDERAL ENERGY REGULATORY COMMISSION

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PRELIMINARY STATEMENT

OkTex is an interstate gas company which provides open access transportation services in Texas and Oklahoma. OkTex operates a number of discrete interstate pipeline segments.

SYSTEM MAP

OkTex's System Map may be viewed and downloaded on its web site, <http://www.oneok.com/okt>, by selecting "Informational Postings" then "OKT System Map."

RATES
OK/TEX SYSTEM
(Except Buffalo Wallow System and Midstream System)

	<u>Maximum</u>	<u>Minimum</u>
FIRM TRANSPORTATION SERVICE (FTS)		
Monthly Demand Charge (Per Dekatherm of Maximum Daily Contract Demand)	\$0.6403	\$0.0000
Unit Commodity Rate (Per Dekatherm)	\$0.0000	\$0.0000
INTERRUPTIBLE TRANSPORTATION SERVICE (ITS)		
Unit Commodity Rate (Per Dekatherm)	\$0.0211	\$0.0000
ANNUAL CHARGES ADJUSTMENT CLAUSE (ACA CLAUSE)		
Pursuant to Section 31 of the General Terms and Conditions, the maximum and minimum commodity rates shall be increased to include the Commission-authorized Annual Charge Adjustment unit rate as published on the Commission's web site located at http://www.ferc.gov .		
FUEL AND USE FACTOR	0.00%	0.00%

RATES
BUFFALO WALLOW

	<u>Maximum</u>	<u>Minimum</u>
FIRM TRANSPORTATION SERVICE (FTS)		
Monthly Demand Charge (Per Dekatherm of Maximum Daily Contract Demand)	\$3.3945	\$0.0000
Unit Commodity Rate (Per Dekatherm)	\$0.0026	\$0.0026
INTERRUPTIBLE TRANSPORTATION SERVICE (ITS)		
Unit Commodity Rate (Per Dekatherm)	\$0.1142	\$0.0026
ANNUAL CHARGES ADJUSTMENT CLAUSE (ACA CLAUSE)		
Pursuant to Section 31 of the General Terms and Conditions, the maximum and minimum commodity rates shall be increased to include the Commission-authorized Annual Charge Adjustment unit rate as published on the Commission's web site located at http://www.ferc.gov .		
LOST AND UNACCOUNTED FOR FACTOR (INCLUDING BACKHAULS)	0.50%	0.50%

RATES
 Midstream System

	<u>Maximum</u>	<u>Minimum</u>
FIRM TRANSPORTATION SERVICE (FTS)		
Monthly Demand Charge (Per Dekatherm of Maximum Daily Contract Demand)	\$0.7127	\$0.0000
Unit Commodity Rate (Per Dekatherm)	\$0.0000	\$0.0000
INTERRUPTIBLE TRANSPORTATION SERVICE (ITS)*		
Unit Commodity Rate (Per Dekatherm)	\$0.0234	\$0.0000
ANNUAL CHARGES ADJUSTMENT CLAUSE (ACA CLAUSE)		
<p>Pursuant to Section 31 of the General Terms and Conditions, the maximum and minimum commodity rates shall be increased to include the Commission-authorized Annual Charge Adjustment unit rate as published on the Commission's web site located at http://www.ferc.gov.</p>		
FUEL RETENTION PERCENTAGE (1-Fuel%/100 X Receipt Quantity = Delivery Quantity)	0.25%	0.25%

*OkTex agrees to adopt the interruptible rates, including discount arrangements, previously negotiated by ONEOK Midstream Pipeline, Inc.

RATES
 Norteño System

SALES RATE SCHEDULE:

The rates for Rate Schedule GSS - General Sales Service - are subject to negotiation as provided under the terms of the Rate Schedule, Service Agreement and the General Terms and Conditions of this FERC Gas Tariff. Pursuant to Section 31 of the General Terms and Conditions, the maximum and minimum commodity rates shall be increased to include the Commission-authorized Annual Charge Adjustment unit rate as published on the Commission's web site located at <http://www.ferc.gov>.

TRANSPORTATION RATE SCHEDULE:

Rate Schedule	Base Rate	Tariff Rate
FT-S - Canutillo and Anthony		
Reservation (1)	\$0.6300	\$0.6300
Commodity	\$0.0000	\$0.0000
Minimum Rate	\$0.0000	\$0.0000
Retention Quantity	0.00%	
IT-S – Commodity:		
Maximum Rate	\$0.0212	\$0.0212
Minimum Rate	\$0.0005	\$0.0005
Retention Quantity	0.00%	
IT-DN – Commodity:		
Maximum Rate	\$0.0196	\$0.0196
Minimum Rate	\$0.0005	\$0.0005
Retention Quantity	0.00%	

(1) The minimum base rate for the Reservation Charge is \$0.0000

RESERVED FOR FUTURE USE

RATE SCHEDULES

RATE SCHEDULE FTS FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule FTS is available for firm transportation service by Transporter for any Shipperwhere:

1.1 Shipper has initiated a request for service and has executed a Gas Transportation Contract for Firm Service under Rate Schedule FTS; and

1.2 The capacity necessary to provide the requested service on a firm basis is available on Transporter's System.

2. APPLICABILITY AND CHARACTER OF SERVICE

Rate Schedule FTS shall apply to all firm reserved transportation service rendered under gas transportation contracts for such firm reserved service.

When Shipper and Transporter have executed a Gas Transportation Contract for Firm Transportation Service under Rate Schedule FTS, Transporter shall receive from or for the account of Shipper, during each month during the term of such contract beginning with the Commencement Date, the Input Quantity scheduled for each Receipt Point pursuant to Section 5 hereof, up to the Maximum Input Quantity scheduled for each Receipt Point. Transporter shall transport and make available to or on behalf of Shipper such Input Quantity, adjusted for the Fuel and Use Quantity, at the Delivery Point(s) scheduled by Shipper, not to exceed the Maximum Equivalent Quantity for each Delivery Point.

Transportation service provided hereunder shall be firm reserved service and shall have priority over all transportation undertaken by Transporter on an interruptible basis.

Transporter shall not be required to install, operate, or maintain any additional facilities in order to provide transportation service under this Rate Schedule.

3. DETERMINATION OF RECEIPT AND DELIVERY QUANTITIES, OPERATING COORDINATION AND ADJUSTMENTS

Gas received by Transporter for Shipper's account at the Point(s) of Receipt may be commingled with Gas received for other Shippers at the same point(s), and Gas delivered by Transporter for Shipper's account at the Point(s) of Delivery may be commingled with Gas delivered to other Shippers at the same point(s).

Transporter and Shippers shall use their best efforts to coordinate their actions to reduce imbalances resulting from the inability to maintain precise control and shall adjust operating

procedures from time to time in the light of experience to balance out and to minimize imbalances.

4. CONSTRUCTION OF NEW FACILITIES

Transporter shall not be required to acquire or construct any pipeline facilities specifically applicable to an individual Shipper (other than those minor facilities incident to the receipt and delivery or measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery or at locations where Gas is measured) in order to provide service under this Rate Schedule; provided, however, that Transporter may, in its reasonable discretion, which discretion will not be applied in a discriminatory manner and with the agreement of the Shipper, agree to acquire or construct any such necessary facilities, subject to the provisions of Section 7.3 of this Rate Schedule.

5. NOMINATIONS AND SCHEDULING

Refer to Section 10. OPERATING INFORMATION, ESTIMATES, NOMINATION, SCHEDULING AND BALANCING in the General Terms and Conditions.

6. HOURLY VARIATIONS

Transporter shall receive, transport and deliver gas at a uniform hourly rate of flow when operationally feasible, the amount which Transporter scheduled for Shipper for that month for transportation under this Rate Schedule, provided, however, that Transporter will transport hourly Quantities for Shipper without regard to such hourly limitation to the extent that Transporter can do so without impairment of service to its other Shippers or without adversely affecting the operation of the System.

7. RATES

7.1 Applicable Rates. The applicable Maximum and Minimum Monthly Demand Charges and Unit Commodity Rates, for firm reserved transportation service under Rate Schedule FTS, are set forth in the currently effective Rates in Part 5.0 and are hereby incorporated herein.

7.2 Monthly Bill. The monthly bill for firm transportation service rendered under Rate Schedule FTS shall consist of a Monthly Demand Charge and a Unit Commodity Charge determined as follows:

- (a) Monthly Demand Charge - For each month, the Monthly Demand Charge payable by each Shipper shall, subject to any discount as provided herein, be equal to the applicable Maximum Monthly Demand Charge multiplied by the Maximum Daily Contract Demand for transportation to each Delivery Point as specified in the Gas Transportation Contract. The Monthly Demand Charge is payable notwithstanding any

failure to deliver all or any portion of Shipper's Input Quantity to Transporter at each Receipt Point during such month, for any reason whatsoever including force majeure.

(b) Unit Commodity Charge - For each month, the Unit Commodity Rate payable by each Shipper shall, subject to any discount as provided herein, be equal to the applicable Maximum Unit Commodity Rate multiplied by the sum of the Input Quantity received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

(c) ACA Surcharges - For each month, the ACA Surcharges payable by each Shipper shall be equal to the ACA Adjustments multiplied by the sum of the Input Quantities received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

7.3 Other Charges. The following further fees and charges also may be charged by Transporter to the extent applicable to the specific services provided hereunder.

(a) Reimbursement for Filing Fees - Shipper shall reimburse Transporter for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by Transporter; and

(b) For the costs of all facilities which Transporter acquires or constructs to provide service hereunder specifically applicable to such Shipper as described in Section 4 of this Rate Schedule, and which Shipper has agreed to reimburse Transporter in whole or in part.

(c) Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that Transporter recovers in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be Transporter's sole property, and Transporter shall not be obliged to account to Shipper for any value, whether or not realized by Transporter, that may attach or be said to attach to such substance.

7.4 Invoicing. Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

8. MINIMUM COMMODITY BILL

The applicable Minimum Unit Commodity Rates for transportation service under Rate Schedule ITS and FTS are set forth in the currently effective Rates in Part 5.0.

9. MEASUREMENT

Refer to Section 5 of the General Terms and Conditions.

10. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are part of Rate Schedule FTS.

11. RESERVATIONS

Transporter reserves the unilateral right from time to time to make any changes to or to supersede the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions and any other provisions of Transporter's FERC Gas Tariff, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

12. ADDITIONAL DEFINITIONS

12.1 Maximum Monthly Demand Charge. The Maximum Monthly Demand Charge for each Dekatherm of the Maximum Daily Contract Demand at each Receipt Point for transportation to each Delivery Point shall be the highest applicable dollar amount that Transporter is permitted to charge under Rate Schedule FTS for the reservation of firm transportation service.

12.2 Minimum Monthly Demand Charge. The Minimum Monthly Demand Charge for each Dekatherm of the Maximum Daily Contract Demand at each Receipt Point for transportation to each Delivery Point shall be the lowest applicable dollar amount that Transporter is permitted to charge under Rate Schedule FTS for the reservation of firm transportation service.

12.3 Discounted Monthly Demand Charge. The Discounted Monthly Demand Charge for any Dekatherm of the Maximum Daily Contract Demand at any Receipt Point for transportation to any Delivery Point shall be the dollar amount per Dekatherm of Maximum Daily Contract Demand specified by Transporter in a notice to Shipper, which amount shall be less than the Maximum Monthly Demand Charge but equal to or greater than the Minimum Monthly Demand Charge.

13. CAPACITY CURTAILMENT

If during any month Transporter determines that capacity for firm transportation service on Transporter's System is insufficient to serve Shipper and others who have entered into Gas Transportation Contracts for Firm Service with Transporter and who have scheduled service on such day, firm transportation service on Transporter's System shall be allocated in accordance with Section 13 of the General Terms and Conditions. Transporter shall not bear any liability for any curtailment of transportation service to Shipper undertaken pursuant to events of force majeure and other events described in this Rate Schedule and the General Terms and Conditions made a part hereof. In no event shall Transporter be relieved of liability to the extent it is caused by Transporter's own negligence or wrongful conduct.

RATE SCHEDULE ITS INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

The Rate Schedule ITS is available for interruptible transportation service by Transporter for any Shipper where:

1.1 Shipper has initiated a request for service and has executed a Gas Transportation Contract for Interruptible Service under Rate Schedule ITS; and

1.2 When and to the extent that Transporter determines that capacity is available in its existing facilities without detriment or disadvantage to Transporters's firm Shippers.

2. APPLICABILITY AND CHARACTER OF SERVICE

Rate Schedule ITS shall apply to all interruptible transportation service rendered under Gas Transportation Contracts for interruptible service whenever Transporter is able and willing to offer such interruptible service.

When Shipper has contracted for interruptible transportation service under Rate Schedule ITS and capacity is available on Transporter's natural gas transmission System for the provision of such service, Transporter shall receive from Shipper, or for the account of Shipper, the Input Quantity scheduled for each Receipt Point pursuant to Section 5 hereof, up to the Maximum Input Quantity for each Receipt Point. To the extent that capacity is available on Transporter's natural gas transmission System, Transporter shall transport and make available to or on behalf of Shipper such Input Quantity adjusted for the Fuel and Use Quantity, at the Delivery Point(s) as Shipper may request, up to the Maximum Equivalent Quantity for each Delivery Point.

Transporter shall not be required to install, operate, or maintain any additional facilities in order to provide transportation service under this Rate Schedule.

3. DETERMINATION OF RECEIPT AND DELIVERY QUANTITIES, OPERATING COORDINATION AND ADJUSTMENTS

Gas received by Transporter for Shipper's account at the Point(s) of Receipt may be commingled with Gas received for other Shippers at the same point(s), and Gas delivered by Transporter for Shipper's account at the Point(s) of Delivery may be commingled with Gas delivered to other Shippers at the same point(s).

Transporter and Shippers shall use their best efforts to coordinate their actions to reduce imbalances resulting from the inability to maintain precise control and shall adjust operating

procedures from time to time in the light of experience to balance out and to minimize imbalances.

4. CONSTRUCTION OF NEW FACILITIES

Transporter shall not be required to acquire or construct any pipeline facilities specifically applicable to an individual Shipper (other than those minor facilities incident to the receipt and delivery or measurement of Gas at the Point(s) of Receipt and Point(s) of Delivery or at locations where Gas is measured) in order to provide service under this Rate Schedule, provided, however, that Transporter may, in its reasonable discretion, which discretion shall not be applied in a discriminatory manner, and with the agreement of the Shipper, agree to acquire or construct any such necessary facilities, subject to the provisions of Section 10 of this Rate Schedule.

5. NOMINATIONS AND SCHEDULING

Refer to Section 10. OPERATING INFORMATION, ESTIMATES, NOMINATION, SCHEDULING, AND BALANCING in the General Terms and Conditions.

6. REDUCTIONS IN SCHEDULED INPUT QUANTITIES; REQUESTS FOR INCREASES

During any month in which Shipper desires to deliver to Transporter at any Receipt Point a quantity of gas which is less than Shipper's previously scheduled Input Quantity for such Receipt Point for such month, Shipper's dispatcher shall, at least twenty-four (24) hours prior to the commencement of such month, unless Transporter's dispatcher agrees to a shorter time period for advance notice, notify Transporter's dispatcher of the quantity of gas for each such Receipt Point which Shipper desires Transporter to make available at each Delivery Point. After receipt of such notice, Transporter's dispatcher shall advise Shipper's dispatcher of the corresponding Equivalent Quantity for each Delivery Point. Shipper shall arrange for the Input Quantity, as rescheduled, to be delivered to Transporter at each Receipt Point during such month.

A request by a Shipper for an increase in the Maximum Daily Contract Demand, or in the Maximum Input Quantity for a Receipt Point, or in the Maximum Equivalent Quantity at a Delivery Point, shall be treated as a new request for service and handled in accordance with Section 2 hereof.

7. HOURLY VARIATIONS

Transporter shall receive, transport and deliver gas at uniform hourly rates of flow when operationally feasible for the amount which Transporter scheduled for Shipper for that month for transportation under this Rate Schedule; provided, however, that Transporter will transport hourly Quantities for Shipper without regard to such hourly limitation to the extent that Transporter can do so without impairment of service to its other Shippers or without adversely affecting the operation of the System.

8. CAPACITY CURTAILMENT

If during any month Transporter determines that capacity for interruptible transportation service on Transporter's System is insufficient to serve Shipper and others who have entered into Gas Transportation Contracts for Interruptible Service with Transporter and who have scheduled service on such day, interruptible transportation service on Transporter's System shall be allocated in accordance with Section 13 of the General Terms and Conditions. Transporter shall not bear any liability for any curtailment of transportation service to Shipper undertaken pursuant to events of force majeure and other events described in this Rate Schedule and the General Terms and Conditions made a part hereof. In no event shall Transporter be relieved of liability to the extent it is caused by Transporter's own negligence or wrongful conduct.

9. RATES

9.1 Applicable Rates. The applicable Maximum and Minimum Unit Commodity Rates, for interruptible transportation service under Rate Schedule ITS are set forth in the currently effective Rates in Part 5.0 and are hereby incorporated herein.

9.2 Monthly Bill. The monthly bill for interruptible transportation service rendered under Rate Schedule ITS shall consist of a one-part charge determined by multiplying the applicable Maximum Unit Commodity Rate for interruptible service, subject to any discount as provided herein, by the number of Dekatherms of gas received by Transporter on behalf of Shipper during such month.

9.3 ACA Surcharges. For each month, the ACA Surcharges payable by each Shipper shall be equal to the ACA Adjustments multiplied by the sum of the Input Quantities received by Transporter on behalf of Shipper during such month at each Receipt Point for transportation to each Delivery Point.

9.4 Invoicing. Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

10. OTHER CHARGES

The following further fees and charges also may be charged by Transporter to the extent applicable to the specific services provided hereunder.

10.1 Reimbursement for Filing Fees. Shipper shall reimburse Transporter for any filing or reporting fees that are assessed by any governmental agency in conjunction with service hereunder and paid by Transporter; and

10.2 For the costs of all facilities which Transporter acquires or constructs to provide service hereunder specifically applicable to such Shipper as described in Section 4 of this Rate Schedule, and which Shipper has agreed to reimburse Transporter in whole or in part.

10.3 Unless otherwise provided, all substances whether or not of commercial value, including all liquid and liquefiable hydrocarbons of whatever nature, that Transporter recovers in the course of transporting the quantities of natural gas tendered hereunder by or on behalf of Shipper shall be Transporter's sole property, and Transporter shall not be obliged to account to Shipper for any value, whether or not realized by Transporter, that may attach or be said to attach to such substances.

11. MINIMUM COMMODITY BILL

The applicable Minimum Unit Commodity Rates for transportation service under Rate Schedule ITS is set forth in the currently effective Rates in Part 5.0.

12. MEASUREMENT

Refer to Section 5 of the General Terms and Conditions.

13. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions are a part of the Rate Schedule ITS.

14. RESERVATIONS

Transporter reserves the unilateral right from time to time to make any changes to, or to supersede, the rates, charges and any terms stated in this Rate Schedule and the applicability thereof, the General Terms and Conditions and any other provisions of Transporter's FERC Gas Tariff, subject to the provisions of the Natural Gas Act and the Commission's Regulations thereunder.

GENERAL TERMS AND CONDITIONS

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41. Termination or Mutual Extension of Service Agreements

42. Negotiated and Discounted Rates

1. DEFINITION OF TERMS

Except where another meaning is expressly stated, the following terms, when used in this Tariff and in any Gas Transportation Contract incorporating this Tariff, shall be construed to have the following meanings:

1.1 Input Quantities.

(a) **Input Quantities.** The Input Quantity for each day at a Receipt Point shall be the Dekatherms of natural gas which is delivered to Transporter at the Receipt Point by or on behalf of Shipper, not to exceed the Maximum Input Quantity for such Receipt Point, to be made available to or on behalf of Shipper (subject to adjustment of the Fuel and Use Quantity) at one or more Delivery Points, not to exceed the Maximum Equivalent Quantity for any Delivery Point as set forth on Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter.

(b) **Maximum Input Quantity.** The Maximum Input Quantity for a Receipt Point shall be the maximum Dekatherms of natural gas per day which Shipper is entitled to request Transporter to receive at the Receipt Point to be made available to or on behalf of Shipper (subject to adjustment for the Fuel and Use Quantity) at one or more Delivery Points, not to exceed the Maximum Equivalent Quantity for any Delivery Point as set forth on Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter

(c) **Maximum Daily Contract Demand.** The Maximum Daily Contract Demand shall be the total of the Maximum Input Quantities for all Receipt Points for the Shipper.

1.2 Equivalent Quantities.

(a) **Equivalent Quantity.** The Equivalent Quantity shall be those Dekatherms of natural gas to be made available on any day to or on behalf of the Shipper at one or more Delivery Point(s), which Dekatherms shall be the thermal equivalent of the Input Quantity delivered to Transporter at the Receipt Point(s) by or on behalf of Shipper on that day, less the applicable Fuel and Use Quantity.

(b) **Maximum Equivalent Quantity.** The Maximum Equivalent Quantity for a Delivery Point on each day shall be the maximum Dekatherms which Shipper may request Transporter to make available at each Delivery Point, as set forth in Schedule 1 appended to the Gas Transportation Contract between Shipper and Transporter. The total of the Maximum Equivalent Quantities for all Delivery Points for a Shipper shall be the thermal equivalent of the total of the Maximum Input Quantities for all Receipt Points for the Shipper.

1.3 Fuel and Use Quantities.

- (a) Fuel and Use Quantity. The Fuel and Use Quantity shall be equal to the product of the applicable Fuel and Use Factor and the Input Quantity.
- (b) Fuel and Use Factor. The Fuel and Use Factor shall be the applicable percentage set forth on currently effective Rate Section for the applicable Rate Schedule, as such may be revised from time to time based upon the determination by Transporter of changes in its fuel and use requirements.

1.4 Transportation Commodity Rates.

- (a) Maximum Unit Commodity Rate. The Maximum Unit Commodity Rate for each Dekatherm of Input Quantity at each Receipt Point for transportation to each Delivery Point shall be the highest applicable dollar amount that Transporter is permitted to charge Shipper under the applicable Rate Schedule.
- (b) Minimum Unit Commodity Rate. The Minimum Unit Commodity Rate for each Dekatherm of Input Quantity at each Receipt Point for transportation to each Delivery Point shall be the lowest applicable dollar amount that Transporter is permitted to charge Shipper under the applicable Rate Schedule.
- (c) Discounted Unit Commodity Rate. The Discounted Unit Commodity Rate shall be the dollar amount per Dekatherm of Input Quantity at any Receipt Point for transportation to any Delivery Point as specified by Transporter in a notice to Shipper, which amount shall be less than the Maximum Unit Commodity Rate but equal to or greater than the Minimum Unit Commodity Rate.

1.5 Commencement Date. The Commencement Date shall be the date on which transportation service begins, as mutually agreed by Shipper and Transporter and set forth in a Gas Transportation Contract, or such later date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper are constructed, installed and made operational, as set forth in Transporter's written notice to Shipper which shall be given at least thirty (30) days in advance of such date, unless Shipper and Transporter agree to a shorter notice period.

1.6 Delivery and Receipt Points.

- (a) Delivery Point. A Delivery Point is a point at which Transporter is authorized to make gas available to or on behalf of Shipper. Transporter's Delivery Point(s) for Shipper shall be those set forth on Schedule 1 appended to the Gas Transportation Contract between Transporter and Shipper, and other mutually agreeable points.

(b) Receipt Point. A Receipt Point is a point at which Transporter is authorized to accept delivery of natural gas from or for the account of Shipper. Transporter's Receipt Point(s) for Shipper shall be those set forth on Schedule 1 appended to the Gas Transportation Contract between Transporter and Shipper or other mutually agreeable points.

1.7 Rate Schedules.

(a) Rate Schedules FTS. Rate Schedule FTS shall mean Rate Schedule FTS of Transporter's FERC Gas Tariff, as in effect, and as such may be revised from time to time, or any superseding rate schedule(s).

(b) Rate Schedules ITS. Rate Schedule ITS shall mean Rate Schedule ITS of Transporter's FERC Gas Tariff, as in effect, and as such may be revised from time to time, or any superseding rate schedule(s).

1.8 Day. The term "day" shall mean a period of 24 consecutive hours, beginning and ending at 9:00 a.m. Central Clock Time.

1.9 Month. The term "month" shall mean the period beginning at 9:00 a.m. Central Clock Time on the day of a calendar month and ending at the same time on the day of the next succeeding calendar month.

1.10 Billing Month. The term "billing month" shall mean that month of service hereunder which immediately precedes the month in which Transporter is obligated to render a bill for such service.

1.11 Contract Year. The term "contract year" shall mean the period commencing on the date deliveries commence under a Gas Transportation Contract and ending at 9:00 a.m. Central Clock Time on the and each subsequent anniversary date thereof.

1.12 Cubic Foot. The term "cubic foot" shall mean the volume of dry gas which occupies one cubic foot when such gas is at a temperature of sixty degrees Fahrenheit and at a pressure of 14.73 pounds per square inch absolute.

1.13 Mcf. The term "Mcf" shall mean 1,000 cubic feet of gas.

1.14 British thermal unit or Btu. The definition of one BTU is the quantity of heat that must be added to one pound (avoirdupois) of pure water to raise its temperature from 58.5 degrees Fahrenheit to 59.5 degrees Fahrenheit under standard pressure conditions.

1.15 Dekatherm. One Dekatherm shall mean 1,000,000 Btu's.

1.16 psig. The term "psig" shall mean pounds per square inch gauge.

1.17 Total heating value. The Number of BTUs produced by combustion at constant pressure of the amount of gas that will occupy a volume of one cubic foot at 60 degrees Fahrenheit at the reference base pressure with air at the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion is condensed to the liquid state.

1.18 Thermally Equivalent Quantity. "Thermally equivalent quantity" shall mean an equal number of Dekatherms of Gas.

1.19 Quantity or Quantities. "Quantity" or "Quantities" shall mean a unit or units of measurement in Dekatherms.

1.20 Pro Rata Share. "Pro Rata Share" shall mean the ratio that the Quantity of Gas scheduled to be received by Transporter, from or for the account of Shipper, bears to the total Quantity of Gas scheduled to be received by Transporter from all Shippers for transportation in the System during any given time period (day, month, year).

1.21 Gas. The term "gas" shall mean natural gas of the quality specified in Section 4 of the General Terms and Conditions.

1.22 Transportation. The term "transportation" shall mean the transmission of gas, whether by exchange, backhaul or any other actual or constructive method or movement.

1.23 Shipper. The term "Shipper" shall mean the person that has executed a Firm or Interruptible Transportation Service Agreement with Transporter for transportation service hereunder or, as the context may require, any person requesting service hereunder.

1.24 Operator. "Operator" shall mean the entity or entities, other than Transporter, designated by Transporter to operate the System.

1.25 Party. "Party" shall mean Shipper or Transporter and the term "Parties" shall mean Shipper(s) and Transporter.

1.26 Person. "Person" shall mean an individual, a corporation, voluntary association, joint stock company, business trust, partnership, limited liability company or other entity.

1.27 System. "System" shall mean the pipeline and all related facilities located in the United States and owned by Transporter at the time, including but not limited to the compressors, regulators, meters and support facilities in the United States.

1.28 Company Used Gas. "Company Used Gas" shall mean the Quantity of Gas, including compressor fuel, used in the operations of the System. All Company Used Gas shall be

deemed to have a Btu content per cubic foot equal to the weighted average of all gas delivered to the System during any given time period (day, month, year).

1.29 Unaccounted For Gas. "Unaccounted For Gas" shall mean the quantity of gas furnished by Shipper and lost from the System during any given time period (day, month, year) which Quantity shall include, but shall not be limited to, gas lost as a result of an event of force majeure, which gas cannot be reasonably attributed to one or more Shippers. In the event that gas lost as a result of an event of force majeure can be reasonably attributed by Transporter to any one or more Shippers, the Quantity therefore shall be deducted in determining the Quantity of gas to be delivered to such Shippers and such deduction will not be considered part of a Shipper's Pro Rata Share of Unaccounted For Gas. All Unaccounted For Gas during any given time period (day, month, Year) shall be deemed to have a Btu content per cubic foot equal to the weighted average of the Btu content of all gas received by Transporter during such time period.

1.30 Commission or FERC. The terms "Commission" or "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency.

1.31 Operator Inclusion. For purpose of these General Terms and Conditions, Transporter shall also include any Operator of the System.

1.32 NAESB. North American Energy Standards Board.

1.33 Service Requester. A Shipper or its Nomination Agent (one who has been pre-designated by Shipper to serve in such role). If a Shipper elects to use a Nomination Agent for a given service agreement, the Nomination Agent replaces the Shipper as the sender of the nomination information as well as the receiver of the nomination-related information from Transporter for such agreement.

1.34 Transporter. The term "Transporter" shall mean OkTex Pipeline Company, L.L.C., a "Service Provider" pursuant to NAESB WGQ Standards.

1.35 Internet Web Site. The term "Internet Web Site" shall mean Transporter's computer information and scheduling system, accessed through Transporter's interactive Internet Web Site or through electronic data interchange.

2. DELIVERY AND RECEIPT POINTS

2.1 Transporter shall make available to each Shipper one or more Receipt Points and one or more Delivery Points, the exact number and location to be determined by mutual agreement between Transporter and Shipper. The Receipt Point(s) at which Transporter will accept gas from Shipper or for Shipper's account and the Delivery Points at which Transporter will make gas available to or on behalf of Shipper shall be those set forth on Schedule 1 appended to the Gas Transportation Contract(s) between Transporter and Shipper or other mutually agreeable points. Such Schedule 1 shall also set forth the Maximum Input Quantity applicable to each such Receipt Point and the Maximum Equivalent Quantity applicable to each such Delivery Point.

2.2 Upon written consent of both Shipper and Transporter, the effective Schedule 1 appended to each Gas Transportation Contract between Transporter and Shipper may be revised from time to time in order to reflect mutual agreeable additions or deletions of Receipt Points, Delivery Points, changes in the Maximum Input Quantities applicable to Receipt Points or changes in the Maximum Equivalent Quantities applicable to Delivery Points. Additions or deletions of Receipt Points, Delivery Points and/or changes in the Maximum Input Quantities or changes in the Maximum Equivalent Quantities shall be considered new transactions.

3. DELIVERIES AND RECEIPTS

3.1 Shipper shall take delivery of gas at uniform hourly rates of flow, when operationally feasible, throughout each day and month for each Delivery Point.

3.2 On account of variations due to the inability of Transporter or Shipper to maintain more precise control, the daily Input Quantity for each Receipt Point shall be subject to an allowable variation of not more than ten (10) percent or 50 Dekatherm, whichever is greater, either above or below the scheduled daily Input Quantity for each such Receipt Point, and daily deliveries shall be subject to an allowable variation of not more than ten (10) percent or 50 Dekatherm, whichever is greater, either above or below the Equivalent Quantity for each Delivery Point for each day.

3.3 If on any day all or part of the gas made available by Transporter to or on behalf of Shipper at any Delivery Point is not accepted pursuant to the provisions of this Tariff, Transporter may, in its sole discretion, curtail further receipts of gas from or for the account of Shipper at one or more Receipt Points by an amount equivalent to that which was not accepted from Transporter, adjusted for Fuel and Use Quantities. Any curtailment in accordance with this paragraph shall have no effect on Shipper's obligation to pay Transportation Demand Charges, if applicable.

4. QUALITY

4.1 Heating Value. The gas to be delivered to Transporter at the Receipt Point(s) and made available to or on behalf of Shipper at the Delivery Point(s) under this Tariff shall be natural gas having a total heating value of not less than 975 Btus, nor more than 1,080 Btus, per cubic foot unless Transporter and Shipper otherwise agree.

4.2 Freedom from Objectionable Matter. The natural gas to be delivered to Transporter at the Receipt Point(s) and made available to or on behalf of Shipper at the Delivery Point(s) under this Tariff:

- (a) shall be commercially free (at prevailing pressure and temperature) from objectionable odors, dust and other solid or liquid matters which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters or other appliances through which it flows;
- (b) shall not contain more than twenty grains of total sulphur nor more than one quarter grain of hydrogen sulfide per one hundred cubic feet;
- (c) shall not contain more than two-tenths of one percent (0.2%) by volume of a combined total volume of oxygen, and Shipper shall make every reasonable effort to keep the gas free of oxygen;
- (d) shall not contain more than two percent (2%) by volume of carbon dioxide and not more than four percent (4%) by volume of total inerts including carbon dioxide and nitrogen components;
- (e) shall have a temperature of not more than one hundred twenty degrees (120) Fahrenheit; and
- (f) shall not contain more than seven percent (7%) of entrained water per million cubic feet, at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch and a temperature of sixty degrees (60) Fahrenheit as determined by dew-point apparatus as may be mutually agreed upon; or
- (g) shall be interchangeable with gas on Transporter's System at the Point of Receipt.

4.3 Failure to Conform to Specifications. If the gas offered for delivery to Transporter at the Receipt Point(s) or made available to or on behalf of Shipper at the Delivery Point(s) has failed at any time to conform to any of the specifications set forth in Section 4.1 or 4.2 of this Section 4, then the party receiving such gas (the "receiving party") shall notify the other party (the "tendering party") of such deficiency and thereupon the receiving party may at its option refuse to accept such gas pending correction by the tendering party. Upon the tendering party's failure promptly to remedy any deficiency in quality as specified in

Section 4.1 or 4.2 of this Section 4, the receiving party may accept such gas and may make changes necessary to bring such gas into conformity with such specifications, and the tendering party shall reimburse the receiving party for any reasonable expense incurred by it in effecting such changes. In no event shall the failure of any gas offered for delivery to Transporter by Shipper or for Shipper's account to conform to any of the specifications set forth in Section 4.1 or 4.2 of this Section 4 relieve Shipper of Shipper's obligation to pay Monthly Demand Charges, if applicable. In no event shall the failure of any gas made available to or on behalf of Shipper at any Delivery Point(s) to conform to any of the specifications set forth in Section 4.1 or 4.2 of this Section 4 relieve Shipper of Shipper's obligation to pay the Unit Commodity Rates and, if applicable, Monthly Demand Charges.

4.4 Commingling. Gas received for Shipper's account at the Point(s) of Receipt will be commingled with the gas of other Shippers in the System. Accordingly, the gas delivered by Transporter for the account of Shipper at the Point(s) of Delivery may not be the same molecules as those received from Shipper for transportation hereunder.

4.5 Odorization. The gas delivered to or for the account of Shipper at the Point(s) of Delivery may be odorized by Transporter by use of an odorant agent of such character as to indicate by a distinctive odor the presence of gas when deemed desirable or necessary by Transporter or when governmental authorities having jurisdiction so require. Whenever odorized gas is delivered, the quality and specifications, as set forth in this Section 4.5, of such gas shall be determined prior to the addition of an odorant or with proper allowance for changes or additions due to such odorant.

4.6 Delivery Pressure. The delivery pressure for Shipper's Gas at the Point(s) of Delivery shall be at Transporter's line pressure as it may exist from time to time.

5. MEASUREMENT

Determination of Volume and Total Heating Value. The volume and the total heating value of the gas delivered to Transporter at the Receipt Point(s) and made available to or on behalf of Shipper at the Delivery Point(s) shall be determined as follows:

5.1 The unit of gas, for the purpose of measurement, shall be one (1) Dekatherm.

5.2 The volumetric measurement base shall be one (1) cubic foot of dry gas at a pressure base of 14.73 psia and at a temperature base of 60 degrees Fahrenheit. (Refer to NAESB WGQ Standard No. 2.3.9)

5.3 The total heating value of the gas per cubic foot shall be determined for any month by taking the weighted average of the heating values as recorded each day by a calorimeter or chromatograph, or as determined by chromatographic analysis of a sample of gas collected during the month or any other method mutually agreed upon by Shipper and Transporter.

5.4 The Dekatherms delivered shall be determined by multiplying the Mcf delivered by the ratio of the Btu per cubic foot delivered to 1,000. For purposes of this determination, the specific gravity and heating value shall be determined at approximately the same time.

5.5 The temperature of the gas passing through each meter shall be determined for any day by the continuous use of a recording thermometer so installed that it may properly record the temperature of the gas flowing through each meter. The arithmetical average of the flowing temperature recorded of each hour shown by the recording thermometer shall be used in computing gas volumes.

5.6 The specific gravity of the gas shall be determined by the use of a recording gravitometer, or by calculation from chromatographic analysis of a sample of gas collected during the month at the Point of Receipt or Point of Delivery, which shall be checked at least once each month, or any other method mutually agreed upon by Shipper and Transporter.

5.7 The deviation of the natural gas from Boyle's Law shall be determined by the use of the table of formulas published by the American Gas Association Par Research Project NX-19 corrected for carbon dioxide and nitrogen or any superseding applicable tables published by the American Gas Association. Determinations of the molecular percentage of N₂ and CO₂ in the gas shall be made within thirty (30) days after commencement of deliveries and at least quarterly thereafter. The molecular percentage of N₂ and CO₂ thus determined will be used to determine the supercompressibility factors during the ensuing period with corrections for specific gravity, temperature and pressure.

5.8 The latest issue of Gas Processors Association Publications 2172, "Method for Calculation of Gross Heating Value, Specific Gravity, and Compressibilities of Natural Gas Mixtures from Compositional Analysis," contains the physical factors used to calculate Heating Value and specific gravity from a gas analysis and shall be used as the basis for determining Heat Content.

6. MEASURING EQUIPMENT

6.1 Measuring Station. Transporter will install, maintain and operate at its expense, at or near the Delivery Point(s), a measuring station properly equipped with meters and other necessary measuring equipment by which the volume of natural gas made available to or on behalf of Shipper shall be measured and determined in accordance with Section 5 of these General Terms and Conditions.

(a) Orifice Meters. Orifice meters, if used, shall be installed and gas volumes computed, in accordance with American National Standard Bulletin ANSI/API 2530, Orifice Metering of Natural Gas, dated June 1979, and any modification and amendments thereof, and may include the use of flange connections and straightening vanes.

(b) Diaphragm, Rotary, or Turbine Meters. Diaphragm, rotary, or turbine meters, if used, shall be installed and gas volumes computed in accordance with generally accepted industry practices.

(c) Electronic Flow Computers. If the use of electronic or other types of flow computers is mutually agreeable to Transporter and Shipper, they may be installed and volumes calculated in accordance with generally accepted industry practices.

(d) New Measurement Techniques. If at any time a new method or technique is developed with respect to gas measurement or the determination of the factors used in such gas measurement, such new method or technique may be substituted upon mutual agreement thereto by the parties.

6.2 Check Measurement Equipment. Shipper may install, maintain and operate, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of Transporter's measuring equipment at or near any Delivery Point.

6.3 Right to be Present. Transporter and Shipper shall have the right to have representatives present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's measuring equipment used in measuring or checking the measurement of deliveries of gas under any Gas Transportation Contract between Transporter and Shipper. The records from such measuring equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations, therefore, for inspection and verification, subject to return within thirty (30) days after receipt thereof.

6.4 Care Required. All installations of measuring equipment applying to or affecting deliveries of gas shall be made in such manner as to permit an accurate determination of the quantity of gas delivered and ready verification of the accuracy of measurement.

Reasonable care shall be exercised by both parties in the installation, maintenance and operation of pressure regulating equipment or compressors so as to prevent any inaccuracy in the determination of the volume of gas delivered under any Gas Transportation Contract.

6.5 Calibration and Test of Meters. The accuracy of Transporter's measuring equipment shall be verified by Transporter at reasonable intervals, and if requested, in the presence of representative of Shipper, by Transporter shall not be required to verify the accuracy of such equipment more frequently than once in any thirty (30) day period. In the event either party shall notify the other that it desires a special test of any measuring equipment, the expense of any such special test, if called on, shall be borne by Shipper if the measuring equipment tested is found not to be in error by more than two (2) percent.

If upon test, any measuring equipment, including recording calorimeters, is found to be in error by not more than two (2) percent, previous recording of such equipment shall be considered accurate in computing deliveries of gas, but such equipment shall be adjusted at once to record accurately.

If upon test, any measuring equipment shall be found to be inaccurate by an amount exceeding two (2) percent, at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period which is known definitely, but in case the period is not known or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of last test, not to exceed a period of sixteen (16) days.

6.6 Correction of Metering Errors - Failure of Meters. In the event a meter is out of service or registering inaccurately, the volume of gas delivered shall be determined:

- (a) by using the registration of any check meter or meters, if installed and accurately registering or, in the absence of (a);
- (b) by correcting the error if the percentage of error is ascertainable by calibration, tests or mathematical calculation; or in the absence of both (a) and (b), then;
- (c) by estimating the quantity of delivery by deliveries during periods under similar conditions when the meter was registering accurately.

6.7 Preservation of Metering Records. Transporter and Shipper shall each preserve for a period of at least one (1) year all test data, charts and other similar records.

6.8 Exchange of Measured Volume Audit Statements. For exchange of measured volume audit statements refer to NAESB WGQ Standard No. 2.1.4.

7. BILLINGS AND PAYMENTS

7.1 Monthly Billing Date. The imbalance statement shall be rendered prior to or with the invoice, and the transportation invoice shall be rendered on or before the 9th business day after the end of the production month. Rendered is defined as postmarked, time-stamped, and delivered (made available) to the designated site. [3.3.14]

7.2 Monthly Payment Date. Shipper shall pay Transporter, at a bank designated by Transporter, so that payment is received and Transporter has available funds there from on or before the last day of each month, the full amount billed by Transporter to Shipper under Section 7.1 of this Section 7 for the immediately preceding month in a statement for such month according to the measurement, computations and prices provided in this Tariff and the Gas Transportation Contract between Transporter and Shipper.

7.3 Transporter may at its option render an estimated imbalance statement to Shipper, which statement shall contain Transporter's best estimate of the total amount payable to Transporter by Shipper under the Gas Transportation Contracts(s) between Transporter and Shipper for the preceding month. Shipper shall pay to Transporter the full amount of such estimated statement on or before the last day of each month provided, however, that Transporter shall render to Shipper a final statement no later than the twentieth (20th) day of the month in which such estimated statement is rendered, unless Transporter's failure to do so is due to the fault of Shipper, in which case Transporter shall render to Shipper a final statement at such time as Transporter is able to do so. Any difference between the estimated statement and the final statement shall be added to or deducted from, as appropriate, Transporter's next succeeding monthly statement to Shipper if any and if not the Party having the debt shall pay to the other Party an amount equal to such debt.

7.4 Remedies for Nonpayment. Should Shipper fail to pay any or all of the amount of any bill as herein provided when such amount is due, Shipper shall pay a Charge for Late Payment which shall be included by Transporter on the next regular monthly bill rendered to Shipper. Such Charge for Late Payment shall be determined by multiplying (a) the unpaid portion of the bill by (b) the ratio of the number of days from the due date to the date of actual payment to 365 by (c) the applicable rate of interest calculated in accordance with Section 154.67 of the Commission's regulations. If such failure to pay continues for thirty (30) days after payment is due, Transporter, in addition to any other remedy it may have under the Gas Transportation Contract, may, after any required application to and authorization by the Federal Energy Regulatory Commission, suspend further transportation of gas. Shipper must, within five (5) Business Days of notice, pay for one month of service in advance to continue service. Shipper must, within thirty (30) Days of notice, provide acceptable security, consistent with Transporter's applicable creditworthiness standards. Transporter may thereafter, in addition to any other remedy it may have under the Gas Transportation Contract, terminate said contract in accordance with the provisions of Section 12.4 of Part 8.0, provided, however, that if Shipper in good faith shall dispute the amount of any bill or part thereof and shall pay Transporter such

amount as it concedes to be correct and at any time within thirty (30) days after a demand made by Transporter shall furnish good and sufficient security as defined in Section 25 of the General Terms and Conditions, guaranteeing payment to Transporter of the amount ultimately found due upon such bills after a final determination which may be reached either by agreement or judgment of the courts, as may be the case, then Transporter shall not, with respect to such non-payment, be entitled to seek to suspend further delivery of gas unless and until default be made in the conditions of such security. If the Shipper fails to provide the required security within these time periods, the Transporter may suspend service immediately and may simultaneously give a written notice that it will terminate service in thirty (30) Days if the Shipper fails to provide security.

7.5 Adjustment of Underpayment, Overpayment or Error in Billing. If it shall be found that at any time or times Shipper has been overcharged or undercharged in any form whatsoever under the provisions of the Gas Transportation Contract and Shipper shall have actually paid the bills containing such overcharge or undercharge, then within thirty (30) days after the final determination thereof, Transporter shall refund the amount of any such overcharge, and Shipper shall pay the amount of any such undercharge, provided, however, that interest calculated in accord with Section 7.4 above shall apply to any undercharge not paid within thirty (30) days from the date of Transporter's notification to Shipper of the amount of the undercharge. In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be adjusted within thirty (30) days of the final determination thereof provided that claim therefor shall have been made within sixty (60) days from the date of discovery of such error but, in any event, within twenty-four (24) months from the date of payment.

7.6 Right of Examination. Both Transporter and Shipper shall have the right to examine at any reasonable time the books, records and charges of the other to the extent necessary to verify the accuracy of any statement, chart or computation made under or pursuant to the provision of this Tariff or the Gas Transportation Contract between Transporter and Shipper.

7.7 Invoicing Standards. Refer to NAESB WGQ Standard Nos. 3.3.3-19 and 3.3.21-26.

8. POSSESSION OF GAS

8.1 As between the parties to the Gas Transportation Contract, Transporter shall be deemed to be in control and possession of the gas deliverable thereunder from the time it is delivered to Transporter at the Receipt Point(s). Prior to the time gas is delivered to Transporter at the Receipt Point(s) and after such gas is made available to or on behalf of Shipper at the Delivery Point(s), Shipper shall be deemed to be in control and possession thereof.

8.2 Shipper shall have no responsibility with respect to any gas deliverable under the Gas Transportation Contract after it is delivered to Transporter at the Receipt Point(s) until it is made available to or on behalf of Shipper at the Delivery Point(s) or on account of anything which may be done, happen or arise with respect to such gas after it is delivered to Transporter at the Receipt Point(s) and before it is made available to or on behalf of Shipper at the Delivery Point(s), and Transporter shall have no responsibility with respect to such gas before it is delivered to Transporter at the Receipt Point(s) or after it is made available to or on behalf of Shipper at the Delivery Point(s) or on account of anything which may be done, happen or arise with respect to such gas before it is delivered to Transporter at the Receipt Point(s).

8.3 From the time gas is delivered to Transporter at the Receipt Point(s), Transporter shall have the unqualified right to commingle such gas with other gas in Transporter's natural gas transmission system.

9. WARRANTY OF TITLE TO GAS

9.1 Except as otherwise provided herein, it is expressly understood that title to all natural gas tendered to Transporter at the Receipt Point(s) for transportation shall be held by Shipper. It is further understood that Shipper will indemnify Transporter and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of claims of any or all persons, entities and /or agencies to the said gas or to royalties, taxes, license fees or charges thereon.

9.2 Transporter hereby expressly disclaims that it has or will have title to any gas to be transported to or on behalf of Shipper.

9.3 Shipper shall indemnify and save harmless Transporter and its officers, agents and employees from and against all liability, losses, damage, claims, actions, suits, debts, demands, accounts, costs and expenses, including injury or death arising from or out of or in any way connected with the quality, use or condition of the Gas after delivery from the System for the account of the Shipper. Transporter shall not be responsible for any losses or shrinkage of Gas during transportation in the system, except in the case of willful misconduct or gross negligence on the part of Transporter, and its officers, agents or employees.

9.4 Transporter and Shipper each assumes responsibility and liability for the installation, maintenance and operation of its respective properties and shall indemnify and save harmless the other Party from and against all liability, losses, damages, claims, actions, suits, debts, demands, accounts, costs and expenses, including injury or death arising from or out of any act or accident resulting from the installation, presence, maintenance and/or operation of the property and equipment of the indemnifying Party.

10. OPERATING INFORMATION, ESTIMATES, NOMINATION, SCHEDULING AND BALANCING

10.1 Shipper shall provide Transporter with all information and material required by Transporter to calculate and verify Shipper's Input Quantity and the quantity of gas taken by the quality specification and the components of both Shipper's Input Quantity and the quantities of gas taken by Shipper at the Delivery Point(s) each day.

10.2 At Transporter's request, any Shipper, which has executed a Gas Transportation Contract with Transporter wherein Transporter agrees to transport gas on behalf of Shipper, will furnish to Transporter estimates of the daily, monthly, and annual quantities of natural gas which Shipper desires Transporter to transport for Shipper.

10.3 At least ten (10) days prior to commencement of initial deliveries under an executed service agreement, Shipper shall furnish Transporter with a written estimate showing by Point(s) of Receipt and Point(s) of Delivery the estimated daily quantities of gas it desires Transporter to transport on its behalf during the first twelve (12) months of transportation service under the executed service agreement.

10.4 Nominations. Shipper shall give notice by the Customer Activities Web site utilized by transporter, telephone, or teletype to Transporter in which Shipper desires transportation service to be rendered by nominating under the applicable rate schedule the Dekatherms of gas Shipper desires to tender at the Point(s) of Receipt and Point(s) of Delivery for transportation during such next succeeding month.

Transporter shall advise Shipper as stated above, prior to the start of each day for which nominations are made, of the Dekatherms which Transporter will schedule and accept at the Point(s) of Receipt for transportation, and deliver at the Point(s) of Delivery after transportation, which quantity shall be scheduled the Dekatherms unless operating conditions require adjustment thereof.

Nominations received from Shippers for any day under Rate Schedule FTS shall be used to calculate the amount of capacity available for transportation under Rate Schedule ITS for such day. Transporter will evaluate all timely nominations in light of the estimated demand for firm service and will schedule interruptible service for such day up to the level of available capacity. Prior to the start of the day for which interruptible nominations are made by a Shipper, Transporter will notify such Shipper(s) of the interruptible amount scheduled for delivery for such day.

(a) Transporter shall support the following standard nomination cycles (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17) [1.3.2]:

(i) The Timely Nomination Cycle

On the day prior to gas flow:

- 1:00 p.m. Nominations leave control of the Service Requester;
- 1:15 p.m. Nominations are received by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Transporter sends the Quick Response to the Service Requester;
- 4:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 5:00 p.m. Service Requester and Point Operator receive scheduled quantities from Transporter.

Scheduled quantities resulting from Timely Nominations shall be effective at the start of the next Gas Day.

(ii) The Evening Nomination Cycle

On the day prior to gas flow:

- 6:00 p.m. Nominations leave control of the Service Requester;
- 6:15 p.m. Nominations are received by Transporter (including from TTTSPs);
- 6:30 p.m. Transporter sends the Quick Response to the Service Requester;
- 8:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 9:00 p.m. Transporter provides scheduled quantities to the affected Service Requester and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Evening Nominations shall be effective at the start of the next Gas Day.

(iii) The Intraday 1 Nomination Cycle

On the current Gas Day:

- 10:00 a.m. Nominations leave control of the Service Requester;
- 10:15 a.m. Nominations are received by Transporter (including from TTTSPs);
- 10:30 a.m. Transporter sends the Quick Response to the Service Requester;
- 12:30 p.m. Transporter receives completed confirmations from Confirming Parties;

- 1:00 p.m. Transporter provides scheduled quantities to the affected Service Requester and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 1 Nominations shall be effective at 2:00 p.m. on the current Gas Day.

(iv) The Intraday 2 Nomination Cycle

On the current Gas Day:

- 2:30 p.m. Nominations leave control of the Service Requester;
- 2:45 p.m. Nominations are received by Transporter (including from TTTSPs);
- 3:00 p.m. Transporter sends the Quick Response to the Service Requester;
- 5:00 p.m. Transporter receives completed confirmations from Confirming Parties;
- 5:30 p.m. Transporter provides scheduled quantities to the affected Service Requester and Point Operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from Intraday 2 Nominations shall be effective at 6:00 p.m. on the current Gas Day.

(v) The Intraday 3 Nomination Cycle

On the current Gas Day:

- 7:00 p.m. Nominations leave control of the Service Requester;
- 7:15 p.m. Nominations are received by Transporter (including from TTTSPs);
- 7:30 p.m. Transporter sends the Quick Response to the Service Requester;
- 9:30 p.m. Transporter receives completed confirmations from Confirming Parties;
- 10:00 p.m. Transporter provides scheduled quantities to the affected Service Requester and Point Operator.

Scheduled quantities resulting from Intraday 3 Nominations shall be effective at 10:00 p.m. on the current Gas Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

(vi) For purposes of NAESB WGQ Standard No. 1.3.2 (ii), (iii), (iv), and (v), the word "provides" shall mean, for transmittals pursuant to NAESB WGQ Standards

1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

10.5 Intraday nominations. Transporter shall give scheduling priority to an intraday nomination submitted by a firm shipper over nominated and scheduled volumes for interruptible shippers. Transporter shall provide the interruptible shipper with advance notice of any reduction resulting from an intraday nomination by a firm shipper. Intraday bump notices shall indicate whether daily penalties will apply for the Gas Day for which quantities are reduced. [1.3.51]

10.6 Fuel reimbursement. (Refer to NAESB WGQ Standard Nos. 1.3.15, 1.3.16, 1.3.28-30.)

10.7 Pooling. (Refer to NAESB WGQ Standard Nos. 1.3.17, 1.3.18, 1.3.64, and 1.3.71.)

10.8 Allocations and flowing gas procedures. Pre-determined Allocation (PDA) data elements shall be standardized. [2.3.1] List of allocation methodology types agreed upon: Ranked, Pro Rata, Percentage, Swing, and Operator Provided Value. [2.3.16]

10.9 Balancing. It is recognized that the Parties are unable to control exactly the quantity of gas received and delivered hereunder on any day and that the receipts and deliveries by Transporter may vary above or below the quantity scheduled on any day. Such variations shall be kept to a minimum permitted by operating conditions and shall be balanced at the Point(s) of Receipt and/or Delivery as soon as practicable. Upon termination of the service agreement, any then existing imbalance between receipts by Transporter from Shipper, less Shipper's Pro Rata Share of Company Used Gas and Unaccounted For Gas and Transporter's deliveries to Shipper or for Shipper's account, shall be brought into balance within sixty (60) days of the termination of the contract. Transporter shall not be obligated to deliver to Shipper on any day a greater quantity of gas than it has received from Shipper on such day, reduced by Shipper's Pro Rata Share of any Company Used Gas and Unaccounted For Gas.

10.10 Transporter shall keep accurate records of the quantities of gas scheduled for transportation and any imbalances, which records shall be made available to Shipper at its request.

11. OTHER OPERATING CONDITIONS

11.1 In no event shall Transporter be required to accept a request for transportation service for a quantity of gas which Transporter cannot meter with reasonable accuracy at the Receipt or Delivery Points for which Shipper is requesting service. If Shipper's request for transportation service involves a quantity which Transporter cannot meter with reasonable accuracy at the requested Receipt or Delivery Point, Transporter will promptly so inform Shipper and advise Shipper of the minimum quantity that can be metered with reasonable accuracy at the proposed Receipt and Delivery Points

11.2 Shipper shall make all necessary arrangements with other parties at or upstream of the Receipt Point(s) where natural gas is delivered to Transporter by Shipper or for Shipper's account, which arrangements shall be compatible with Transporter's system operations and coordinated with Transporter's dispatchers.

11.3 Transporter shall not be required to render transportation service on behalf of Shipper in the event that all facilities necessary to render such service do not exist at the time such service is requested.

11.4 Shipper shall reimburse Transporter:

- (a) For the costs of any facilities, other than facilities included in Transporter's general system, installed by Transporter with Shipper's consent to receive, measure, transport or deliver natural gas for the account of Shipper;
- (b) For any and all filing and approval fees required in connection with the Gas Transportation Contract(s) between Transporter and Shipper that Transporter is obligated to pay to the FERC or any other governmental authority having jurisdiction; and
- (c) Any reimbursement due Transporter by Shipper pursuant to this Section 4 shall be due and payable to Transporter within ten (10) days of receipt by Shipper of Transporter's invoice(s) for same.

11.5 Subject to the requirements of Section 7 of the Natural Gas Act, Transporter shall not be required to render or to continue to render transportation service on behalf of any Shipper that has applied for bankruptcy under the Bankruptcy Code or on behalf of any Shipper which, at Transporter's request, fails within a fifteen (15) day period to demonstrate and maintain credit worthiness, provided however, that Transporter shall render or continue to render transportation service for any such Shipper which prepays for such service or which, upon fifteen (15) days notice by Transporter, furnishes good and sufficient security bond or other good and sufficient security as Transporter in its reasonable discretion deems acceptable, of a continuing nature and in an amount equal to the cost of performing the transportation service request for a two (2) month period.

11.6 Transporter shall not be required to render transportation service on behalf of any Shipper which fails to comply with any or all of the terms of the applicable Rate Schedule under which such service is rendered on behalf of such Shipper and with these General Terms and Conditions and the terms of the Gas Transportation Contract(s) between Transporter and Shipper.

12. FORCE MAJEURE AND REMEDIES

12.1 Relief from liability. Neither Transporter nor Shipper shall be liable in damages to the other for any act, omission or circumstance occasioned by or in consequence of any event constituting force majeure and, except as otherwise provided in Section 12.2 of this Section 12, the obligations of Transporter and Shipper shall be excused during the period thereof to the extent affected by such events of force majeure. The term "force majeure" shall mean acts of God, strikes, lockouts, acts of the public enemy, wars, blockages, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers, peoples, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freeze-ups, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means and any other cause, whether the kind herein enumerated or otherwise, and whether caused or occasioned by or happening on account of the act or omission of one of the parties to the Gas Transportation Contract between Transporter and Shipper or some person or concern not a party thereto, which is not within the control of the party claiming excuse and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming excuse. Under no circumstances will lack of finances be construed to constitute force majeure.

12.2 Liabilities not relieved. Such causes or contingencies affecting the performance of said Gas Transportation Contract by either party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch nor shall such causes or contingencies affecting the performance of said contract relieve either party from its obligation to pay the applicable demand charge thereunder nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing or by telegraph to the other party as soon as possible after the occurrence relied on. Shipper's obligation to pay applicable demand charges shall not be suspended by any failure of Transporter to deliver gas to or on behalf of Shipper for any reason or cause whatsoever, whether or not described in this Section 12, except in the event that such failure is caused by the negligence or intentional misconduct of Transporter.

12.3 In the event Transporter is unable, wholly or in part, to make capacity available for transportation of the Maximum Input Quantities to which all Shippers are entitled under their gas Transportation contracts with Transporter during any month, then Shipper shall be entitled to such proportion of the total impaired transportation capacity as the sum of Shipper's Maximum Input Quantities bears to the sum of the total Maximum Input Quantities for firm transportation service of all Shippers affected by the impairment of transportation capacity. Transporter shall not bear any liability for any curtailment of transportation service to Shipper undertaken pursuant to the provisions of this Section 12.3

of Section 12 and due to one or more of the causes stated in Section 12.1 of this Section 12 or to routine maintenance of Transporter's System. To the extent that curtailment is caused by a matter described in Section 12, any liability that Transporter may have shall be limited to that set forth in said Section 12.

12.4 Termination of Gas Transportation Contract. If either Transporter or Shipper shall fail to perform any of the material covenants or obligations imposed upon it by the Gas Transportation Contract, subject to the applicable provisions of this Tariff, then in such event the other party may at its option terminate said contract by proceeding as follows: the party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the contract and declaring it to be the intention of the party giving notice to terminate the same; thereupon, the party in default shall have thirty (30) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the contract, and if within said period of thirty (30) days the party in default does so remove and remedy said cause or causes, then such notice shall be withdrawn and the contract shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes within said period of thirty (30) days, the contract shall terminate, provided however, that no termination shall occur if the party in default has initiated action to cure such material default but, despite its best efforts, has been unable to complete the cure within such thirty (30) day period and is continuing its action to complete the cure in good faith beyond the end of the thirty (30) day period. Except as specifically set forth in Section 5 of the Gas Transportation Contract(s) between Transporter and Shipper, the termination or cancellation of any Gas Transportation Contract shall be pursuant to the provisions of this paragraph, shall be without prejudice to the right of Transporter to collect any amounts then due to it for transportation services rendered prior to the time of cancellation and shall be without prejudice to the right of Shipper to receive any transportation service which has not been rendered but for which Shipper has paid prior to the time of cancellation and without waiver of any remedy to which the party not in default may be entitled for violations of the contract.

13. CURTAILMENT AND INTERRUPTION

13.1 Transporter shall have the right to curtail or discontinue shipments, since Transporter may obligate itself to transport, on an interruptible basis, more gas than there may be at times capacity to transport and redeliver through its pipeline, in whole or in part on all or a portion of its system from time to time and at any time, under the following conditions and in the following manner:

13.2 Operating or Remedial Curtailment or Interruption may be ordered by Transporter at anytime if in Transporter's reasonable judgment capacity or operating conditions so require or it is desirable or necessary to make modifications, repairs or operating changes, the conduct of which will occasion interruption, upon such notice as is reasonable under the circumstances and in the following order, to the extent practicable:

(a) Interruptible transportation service shall be curtailed first, commencing with interruptible service that, at the time notice was given, was at the least rate being charged by Transporter then in effect under Rate Schedule ITS, and then in sequence ascending in the order of rates to the then maximum rate.

(b) If in the sequence of interruptible service curtailments a capacity allocation becomes necessary among Shippers paying the same rates, Transporter shall allocate on a pro rata basis such available capacity to such similarly situated Shippers.

(c) Any interruptible Shipper not paying the maximum rate may be interrupted unless the interruptible Shipper is willing to pay a rate that will match or exceed a competing offer to pay the highest rate then being offered up to the maximum rate for interruptible transportation service. If any interruptible Shipper is notified by Transporter of potential interruption due to another interruptible Shipper's willingness to pay a higher interruptible transportation rate than the discounted interruptible rate determined between Transporter and the Shipper to which the notice is given, the latter may within five (5) days of such notice elect in writing to pay a higher rate which matches or exceeds the competing offer and thereby retain its priority. If the Shipper does not exercise its right to match or exceed a competing offer within the specified five (5) day period, the Shipper may lose its priority, and it may not thereafter offer to pay the higher rate and reclaim its place in the priority queue.

(d) Firm service shall be the last in order of curtailment or interruption. If firm service interruptions or curtailments become necessary among firm Shippers, capacity will be allocated on a pro rata basis to such similarly situated Shippers.

14. SALES LATERAL PIPELINE POLICY

Transporter will not build or contribute to the cost of building any sales lateral pipelines. Nothing in this policy statement shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent Transporter from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act. Transporter reserves the right to seek a waiver of the policy set forth herein, for good cause shown during any proceeding before the Commission instituted under Section 7 of the Natural Gas Act.

15. NOTICES

Any communication, notice, request, demand, statement or bill provided for in this Tariff or in a Gas Transportation contract or any notice which either Transporter or Shipper may desire to give to the other shall be in writing and shall be considered as duly presented, rendered or delivered when sent, if sent by telegram, cable, telecopy or telex or, if sent by either postpaid registered or ordinary mail, shall be considered as duly presented five days after sending. The material so sent shall be addressed to the pertinent party at its last known post office address or at such other address as either party may designate.

16. RESERVED FOR FUTURE USE

17. NONWAIVER AND FUTURE DEFAULT

No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions of a Gas Transportation contract, the General Terms and Conditions or the applicable Rate Schedule shall operate or be construed as a waiver of any future default or defaults whether of a like or of a different character.

18. SUCCESSORS AND ASSIGNEES

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially or as an entirety, of Transporter or of the Shipper, as the case may be, shall be entitled to the rights and shall be subjected to the obligations of its predecessor in title hereunder. Otherwise, no assignment of the executed service agreement or any of the rights or obligations hereunder or any portion of its effective Maximum Daily Contract Demand shall be made. Either party may assign its right, title and interest in and to the executed service agreement to a trustee or trustees, individual or corporate, as security for bonds or other obligations or securities without the necessity of obtaining such consent and without such trustee or trustees assuming or becoming in any respect obligated to perform the obligations of the assignor hereunder.

19. SCHEDULES AND CONTRACTS SUBJECT TO REGULATION

This Tariff, including these General Terms and Conditions and the respective obligations of the parties under the Gas Transportation Contract(s) are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction and are subject to change from time to time by addition, amendment or substitution as provided by law.

20. UNAUTHORIZED MONTHLY OVERDELIVERY AT RECEIPT POINT AND REMEDY

20.1 If any Shipper should during any month deliver or cause to be delivered to Transporter at any Receipt Point, under the applicable Rate Schedule and without Transporter's authorization, a quantity of natural gas which exceeds the sum of Shipper's Input Quantity scheduled for such Receipt Point for such month, said quantity shall constitute an unauthorized overdelivery quantity. Within 25 days of the end of the month in which such unauthorized overdelivery quantities accrued Transporter shall send Shipper notice of such unauthorized overdelivery quantities.

20.2 Within thirty-five (35) days of the date of the Transporter's notice to Shipper that Shipper has tendered or caused to be tendered to Transporter during a month an unauthorized overdelivery quantity, Shipper shall correct such unauthorized overdelivery quantity, provided, however, that Transporter may require that Shipper take corrective action within a shorter period of time if Transporter, in its reasonable discretion, determines that corrective action within such shorter period of time is necessary to protect the integrity of Transporter's system. If Shipper fails to correct such unauthorized overdelivery quantity within the thirty-five (35) day period, then Shipper shall pay to Transporter the overdelivery payment prescribed in Section 20.3 of this Section 20.

20.3 In the event the unauthorized overdelivered quantity occurs during a month when the overdelivery does not adversely affect reliability of service and does not adversely impair pipeline integrity, the overdelivery payment payable to Transporter shall be equal to two times the applicable maximum interruptible transportation rate for the system affected plus the Fuel and Use Quantity. In the event the unauthorized overdelivered quantity occurs at a time when it adversely affects reliability of service or adversely impairs pipeline integrity, the overdelivery payment payable to Transporter shall be equal to Two Dollars (\$2.00) per Dekatherm times the unauthorized overdelivery quantity during a month in excess of 1550 Dekatherm or ten percent (10%) of the sum of the Input Quantity scheduled for the applicable month, whichever is greater. The making of this payment shall not relieve Shipper of Shipper's obligation to pay demand charges payable hereunder. Nor shall such payment be considered a substitute for any other remedies available to Transporter or any other Shipper against the offending Shipper for failure to respect its obligation to adhere to the provisions of its contract(s) with Transporter. Shipper shall take delivery of such unauthorized overdelivery quantity within sixty-five (65) days from the date of such notice. If Shipper fails to take delivery of such unauthorized overdelivery quantity within such sixty-five (65) day period, then Shipper shall incur and pay to Transporter the overdelivery payment prescribed herein for such period and each additional thirty (30) day period that such gas remains on the system.

20.4. The sole remedy of any person for a Shipper's failure during any month to receive delivery of the quantity of natural gas to which it was entitled under its contracts with Transporter, where such failure was caused by the delivery of unauthorized overdelivery

quantity by another Shipper, shall be against the offending Shipper, and Transporter shall have no liability to such person.

21. UNAUTHORIZED MONTHLY UNDERDELIVERY AT RECEIPT POINT AND REMEDY

21.1 If during any month the sum of Shipper's scheduled Input Quantities for any Receipt Point for each day of such month exceeds the total quantity of gas actually tendered or caused to be tendered to Transporter by or on behalf of Shipper during such month at such Receipt Point said quantity shall constitute an unauthorized underdelivery quantity. Within 25 days of the end of the month in which such unauthorized underdelivery quantities accrued Transporter shall send Shipper notice of such unauthorized underdelivery quantities.

21.2 Within thirty-five (35) days of the date of the Transporter's notice to Shipper of the unauthorized underdelivery quantity, Shipper shall correct such underdelivery by tendering or causing to be tendered to Transporter the Dekatherms of gas that were underdelivered, provided, however, that Transporter may require that Shipper take corrective action within a shorter period of time if Transporter, in its reasonable discretion, determines that corrective action within such shorter period of time is necessary to protect the integrity of Transporter's system. If Shipper fails to correct such problem within such thirty-five (35) day period, then Shipper shall pay to Transporter the amounts set forth below. In the event the unauthorized underdelivered quantity occurs during a period in which it does not adversely affect reliability of service or adversely impair pipeline integrity, the underdelivery payment to Transporter shall be equal to two times the maximum interruptible transportation rate for the system affected plus the Fuel and Use Quantity. If the unauthorized underdelivery amount occurs during a period in which it adversely affects reliability of service or adversely impairs pipeline integrity, the underdelivery payment to Transporter shall be equal to Five Dollars (\$5.00) per Dekatherm times the unauthorized underdelivery quantity which is in excess of 1550 Dekatherm or ten percent (10%) of the gas actually tendered or caused to be tendered by Shipper during the applicable month, whichever is greater. (Such gas which is less than the 1550 Dekatherm or ten percent (10%) of the gas tendered or caused to be tendered is hereinafter referred to as the Allowable Imbalance Gas) The making of this payment shall not relieve Shipper of Shipper's obligation to deliver to Transporter the Allowable Imbalance Gas. If Shipper fails to deliver to Transporter such Allowable Imbalance Gas within a period of sixty (60) days after the end of the contract term, then Shipper shall pay to Transporter an amount equal to Five Dollars (\$5.00) per Dekatherm times the Allowable Imbalance Gas.

21.3 The sole remedy of any person for a Shipper's failure during any month to receive delivery of the quantity of natural gas to which it was entitled under its contracts with Transporter, where such failure was caused by the delivery of an unauthorized underdelivery quantity by another Shipper, shall be against the offending Shipper, and Transporter shall have no liability to such person.

22. UNAUTHORIZED MONTHLY OVERRUN AT DELIVERY POINT AND REMEDY

22.1 If any Shipper should during any month take or cause to be taken at any Delivery Point, under the applicable Rate Schedule and without Transporter's authorization, a quantity of natural gas which exceeds the sum of Shipper's Equivalent Quantity for such Delivery Point for such month, said quantity shall constitute an unauthorized overrun quantity. Unless authorized by Transporter, all overrun quantities are unauthorized, provided, however, that no gas made available to or on behalf of Shipper at Delivery Point(s) where Transporter has complete and unrestricted control of gas deliveries shall be considered an unauthorized overrun quantity. Within 25 days of the end of the month in which such unauthorized overrun quantities accrued Transporter shall send Shipper notice of such unauthorized overrun quantities.

22.2 Within thirty-five (35) days of the date of the Transporter's notice, Shipper shall tender or cause to be tendered to Transporter Dekatherms of gas equal to the unauthorized overrun quantity that Shipper took or caused to be taken at the Delivery Point. If Shipper within such thirty-five (35) day period fails to tender or cause to be tendered to Transporter such excess Dekatherms, then Shipper shall pay Transporter the amounts set forth below. If the unauthorized overrun quantity occurs during a period in which it does not adversely affect reliability of service or adversely impair pipeline integrity, the overrun payment to Transporter shall be equal to two times the maximum interruptible rate for the system affected plus the Fuel and Use Quantity. If the unauthorized overrun occurs during a period in which it adversely affects reliability of service or adversely impairs pipeline integrity, the unauthorized overrun payment to Transporter shall be equal to Five Dollars (\$5.00) per Dekatherm times the unauthorized overrun quantity which is in excess of 1550 Dekatherms or ten percent (10%) of the sum of the Equivalent Quantities for the applicable month, whichever is greater. (Such gas that is less than the 1550 Dekatherms or ten percent (10%) of the sum of the Equivalent Quantities for such month are hereinafter referred to as the Allowable Overrun Gas) The making of this payment shall not relieve Shipper of Shipper's obligation to deliver to Transporter the Dekatherms that equal the Allowable Overrun Gas. If Shipper fails to deliver to Transporter such Allowable Overrun Gas within a sixty (60) day period after the end of the contract term, then Shipper shall pay to Transporter an amount equal to Five Dollars (\$5.00) per Dekatherm times the Allowable Overrun Gas.

22.3 The obligation to make overrun payments for an unauthorized overrun quantity shall not under any circumstances be considered as giving any Shipper the right to take or cause to be taken unauthorized overrun quantities nor shall such payment be considered as a substitute for any other remedies available to Transporter or any other Shipper against the offending Shipper for failure to respect its obligation to adhere to the provisions of its contract(s) with Transporter.

22.4 Transporter shall have no liability to any person on account of a Shipper's failure on any day to receive delivery of the quantity of natural gas to which it was entitled under its

contracts with Transporter where such failure was caused by the taking of an unauthorized overrun quantity by another Shipper.

23. UNAUTHORIZED MONTHLY UNDERRUN AT DELIVERY POINT AND REMEDY

23.1 If during any month the sum of Shipper's Equivalent Quantities for each Delivery Point for each day of such month exceeds the gas actually taken by Shipper during such month at any such Delivery Point, said quantity shall constitute an unauthorized underrun quantity. Within 25 days of the end of the month in which such unauthorized underrun quantities accrued Transporter shall send Shipper notice of such unauthorized underrun quantities.

23.2 Within thirty-five (35) days of the date of the Transporter's notice to Shipper of the unauthorized underrun quantity, Shipper shall correct such unauthorized underrun. If Shipper fails to correct such unauthorized underrun within such thirty-five (35) day period, then Shipper shall pay to Transporter the amounts set forth below. If the unauthorized underrun quantity occurs during a period in which it does not adversely affect reliability of service or adversely impair pipeline integrity, the underrun payment to Transporter shall be equal to two times the maximum interruptible rate for the system affected plus the Fuel and Use Quantity. If the unauthorized underrun occurs during a period in which it adversely affects reliability of service or adversely impairs pipeline integrity, the unauthorized underrun payment to Transporter shall be equal to Two Dollars (\$2.00) times the unauthorized underrun quantity which is in excess of 1550 Dekatherms or ten percent (10%) of the sum of the scheduled Equivalent Quantities for such month, whichever is greater. Shipper shall take delivery of such unauthorized underrun quantity within sixty-five (65) days after such notice. If Shipper fails to take delivery of such unauthorized underrun quantity within such sixty-five (65) day period, then Shipper shall pay to Transporter an amount equal to Two Dollars (\$2.00) per Dekatherm times the unauthorized underrun quantity for such period and for each additional thirty (30) day period that such gas stays on the system.

23.3 Imbalance penalties hereunder are based upon the difference between actual receipts and actual deliveries, rather than scheduled quantities.

24. INCORPORATION IN RATE SCHEDULES AND GAS TRANSPORTATION CONTRACTS

These General Terms and Conditions are incorporated in and are a part of Transporter's Rate Schedules and gas transportation contracts.

25. REQUESTS FOR SERVICE

Subject to any conditions set forth in the applicable Rate Schedules, this Section shall govern qualification for receipt of service under Rate Schedules FTS and ITS.

25.1 Requests for Service

- (a) All Shippers requesting transportation service under Rate Schedules FTS or ITS via the Transporter's Customer Activities Web site or in writing when necessary, the information required by this Section 25 and the information necessary to complete the fill in the blank in the applicable form of agreement in order to qualify for service. No request for service will be scheduled until all of the information has been provided.
- (b) Except as expressly set forth in Subsection 25.1(d) or other provisions of this FERC Gas Tariff, Transporter may award available capacity for firm transportation service to commence at a future date only within the following timeframes:
 - (1) For service with a primary contract term of three months or less, Transporter may award a request for service no earlier than fifteen (15) calendar days prior to the proposed commencement date of service.
 - (2) For service with a primary contract term of greater than three months, but less than one year, Transporter may award a request for service no earlier than thirty (30) calendar days prior to the proposed commencement date of service.
 - (3) For service with a primary contract term of one (1) year or longer, Transporter may award a request for service no earlier than ninety (90) days prior to the proposed commencement date of service.
- (c) Transporter shall deny a request for capacity to the extent honoring the request would have the effect of awarding capacity prior to the timeframes set forth in Subsection 25.1(b), due to the unavailability of the requested capacity for any portion of the requested primary contract term. For example, if, on October 1, a Shipper requested that Transporter award capacity with a primary contract term of one year beginning on November 1, but the capacity was available only for the following June through October (i.e. for the last five months of the requested term), Transporter would treat the request as a request for capacity with a term of five months, with the date the capacity became available deemed to be the start of the requested primary term. Pursuant to Subsection 25.1(b)(2),

Transporter would reject the request as premature. Notwithstanding the above:

- (i) Transporter may consider a request described above pursuant to Subsection 25.1(d).
 - (ii) Transporter and Shipper may agree to contract for less than all the requested capacity as long as the award is within the timeframes set forth in Subsection 25.1(b). For example, if a Shipper requested 15,000 dth/day of capacity for a term of one year, and only 5,000 dth/day was available for a six-month period beginning four months after the request was made, Transporter and Shipper could agree to contract for the available capacity for a six month term consistent with the timeframe set forth in Subsection 25.1(b)(2).
- (d) Transporter may consider, on a not unduly discriminatory basis, a request for firm service outside the time periods specified in Subsection 25.1(b), if the request involves circumstances which include the following:
- (i) The request is for capacity offered on a pre-arranged basis pursuant to the process set forth in Subsection 25.6 below:
 - (ii) The request is for capacity offered pursuant to an open season initiated by Transporter pursuant to the process set forth in Subsection 25.7 below; or
 - (iii) The request involves the acquisition, modification or construction of facilities or, terms and conditions that may require prior Commission approval or notice.
- (e) If Transporter allows a variation from the time periods specified in Subsection 25.1(b) in accordance with the circumstances described in Subsection 25.1(d)(i)-(iii) or otherwise, Transporter shall provide reasons for the variation in the notice of the open season or by means of an Informational Postings notice on Transporter's Internet Web Site. Transporter shall deviate from the time periods specified in Subsection 25.1(b) only in a not unduly discriminatory manner consistent with Commission regulations.

25.2 Modification of Service

Any modification of an existing transportation agreement shall be requested by Shipper's submission of a new request with notation on the request that the service requested is a modification of an existing service. Such request, after having been

fully processed and accepted by Transporter, shall be deemed to have the full force and effect of the underlying transportation agreement.

25.3 Credit Evaluation

Transporter shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of a Shipper's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon the information and criteria listed in (a)-(c) below. Provided further, a Shipper with an ongoing business relationship with Transporter shall have no delinquent balances outstanding for services made previously by Transporter, and Shipper must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

- (a) Shipper shall provide any reasonable information required by Transporter in connection with transportation services pursuant to this Tariff, including information relating to the Shipper's supply of natural gas, the deliverability of such natural gas and upstream transportation arrangements.
- (b) If requested by Transporter, Shipper shall provide Transporter within one hundred and twenty (120) days after the end of each fiscal year of Shipper, current audited financial statements, annual reports, 10-K reports, or other filings with regulatory agencies which discuss Shipper's financial status; a list of all corporate Affiliates, parent companies, and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. Transporter may accept unaudited consolidated financial statements. Transporter shall determine the acceptability of the Shipper's overall financial condition.
- (c) Upon execution and delivery of the Service Agreements, Shipper will comply with one of the following creditworthiness requirements:
 - (i) The Shipper, or an Affiliate Guarantor, has an investment grade rating for its long term senior unsecured debt from a recognized rating agency. Such rating shall be the equivalent of BBB- or better by Standard & Poor's Financial Services ("S&P"), and/or Baa3 or better by Moody's Investor Service Inc. ("Moody's"), and or BBB- by Fitch Ratings, Inc. In the event that Shipper is rated by two or more of the preceding rating agencies at levels that are not equivalent, the lowest rating shall apply. A Shipper who qualifies under this category initially but is later downgraded below investment grade will be required to qualify under another

category below.

- (ii) The Shipper shall demonstrate that the net present value of the sum of future reservation rates, usage rates and other fees and charges for the service requested is less than 15% of the Shipper's tangible net worth.
- (iii) If Shipper does not meet the creditworthiness standard described in part (i) or (ii) above, Transporter shall evaluate creditworthiness based upon the level of Shipper's current and requested service(s) with Transporter relative to Shipper's current and future ability to meet its obligations. Such creditworthiness evaluation shall be based upon any or all of the following requested information in a. through g. below.
 - a. S&P, Moody's and other credit reporting agencies' opinions, outlooks, watch alerts, and rating actions.
 - b. Financial reports whereby consistent financial statement analysis will be applied by Transporter to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's opinions will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
 - c. Whether Shipper is operating under any chapter of the bankruptcy code and is subject to liquidation or debt reduction procedures under state laws and whether there is pending any petition for involuntary bankruptcy. Transporter may give consideration for a Shipper who is a debtor-in-possession operating under Chapter 11 of the United States Bankruptcy Code if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future to make payment.
 - d. Whether Shipper is subject to any lawsuits or outstanding judgments which could materially impact its ability to remain solvent.
 - e. The nature of Shipper's business and the effect on that business of economic conditions, including Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.

- f. Whether Shipper has or has had any delinquent balances outstanding for services provided previously by Transporter and whether Shipper is paying and has paid its account balances according to the terms established in its Agreement(s) (excluding amounts as to which there is a good faith dispute).
 - g. Any other information, including any information provided by Shipper, that Transporter deems relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of its Agreement(s).
- (iv) Application for acceptance as creditworthy may be made at any time. Shipper will not be subject to having its acceptance under this category revoked unless there has been a material adverse change in the financial criteria relied on at the time of acceptance.
- (d) Transporter shall not be required to perform services under a transportation Service Agreement for any Shipper who is or has become insolvent, or who fails to demonstrate creditworthiness, or who fails to make payments pursuant to Section 7 hereof (except if Shipper has disputed a bill and made provision for such payment in accordance with Section 7 hereof); provided, however, such Shipper provides security as required by this Subsection 25.3.

25.4 Failure to Meet Creditworthiness Criteria

- (a) Upon notification by Transporter that Shipper has failed to satisfy the credit criteria, such Shipper may still obtain credit approval by Transporter if it elects to provide:
- (i) a Letter of Credit or a cash deposit, in an amount equal to the sum of three (3) months' reservation charge from Shipper based on the rates in Shipper's Service Agreement for service pursuant to its firm Service. Transporter will accrue interest for the account of Shipper on any cash deposit at the simple prime rate of interest for the application period offered by Citibank N.Y. or any successor of Citibank, N.Y. A Letter of Credit must be in a form reasonably acceptable to Transporter. Such security shall be adjusted annually to reflect any change in the reservation charge for the succeeding three (3) months; or
 - (ii) an advance deposit, a standby irrevocable letter of credit, a security interest in collateral found to be satisfactory to Transporter or a guarantee, acceptable to Transporter, by another person or entity which satisfies the credit appraisal for service pursuant to its

interruptible service agreement,

- (iii) a guarantee, acceptable to Transporter, by another person or entity that satisfies Transporter's credit appraisal according to the same procedures set forth in Subsection 25.3; or
- (iv) other security acceptable to Transporter, to be accepted on a not unduly discriminatory basis.

Any Shipper who qualifies under paragraphs (i), (ii), or (iii) above by virtue of an Affiliate Guarantor guaranteeing the obligations of the Shipper shall provide an irrevocable undertaking from the Affiliate to guarantee the Shipper, and shall provide the undertaking to guarantee concurrently with the execution of a Service Agreement. Such guarantee shall be in a form acceptable to Transporter.

- (b) If Shipper's credit standing ceases to meet Transporter's credit requirements during the period of service, then Transporter has the right to require security or a deposit as specified in Section 126.2(a) above. If security or a deposit is not tendered in a timely period as reasonably determined by Transporter in accordance with Section 7 of the GT&C, then Transporter is not required to continue service after 30 days of advance written notice to the Shipper and the Commission. If Shipper is unable to maintain acceptable credit, the executed Service Agreement may be terminated by Transporter after 30 days of advance written notice to the Shipper and the Commission, in accordance with Section 8 of the GT&C.

25.5 Creditworthiness Notices

(a) Transporter Responsibilities

- (i) Transporter shall designate, on its Internet Web site or in written notices to Shipper, the Internet E-mail addresses of up to two representatives who are authorized to receive notices regarding Shipper's creditworthiness. Shipper's obligation to provide confirmation of receipt is met by sending such confirmation to such representatives, and Transporter shall manage internal distribution of any such confirmations. [0.3.7]
- (ii) If Transporter requests additional information to be used for credit evaluation after the initiation of service, Transporter, contemporaneous with the request, shall provide its reason(s) for requesting the additional information to Shipper and designate to whom the response shall be sent. Transporter and Shipper may

mutually agree to waive this requirement. [0.3.3]

- (iii) Upon receipt from Shipper of all credit information provided, Transporter shall notify Shipper's authorized representative(s) that it has received such information. Transporter and Shipper may mutually agree to waive this requirement. [0.3.6]
 - (iv) After Transporter's receipt of Shipper's request for re-evaluation, including all required information pursuant to NAESB WGQ Standard No. 0.3.8 ("Shipper's Request"), within five (5) Business Days, Transporter shall provide a written response to Shipper's Request. Such written response shall include either a determination of creditworthiness status, clearly stating the reason(s) for Transporter's decision, or an explanation supporting a future date by which a re-evaluation determination will be made. In no event shall such re-evaluation determination exceed twenty (20) Business Days from the date of the receipt of the Shipper's Request unless specified in Transporter's FERC Gas Tariff or if the parties mutually agree to some later date. [0.3.9]
 - (v) Regarding capacity release transactions, Transporter shall provide the original Releasing Shipper with Internet E-mail notification reasonably proximate in time with any of the following formal notices given by Transporter to the Releasing Shipper's Replacement Shipper(s), of the following [5.3.60]:
 - (A) Notice to the Replacement Shipper regarding the Replacement Shipper's past due, deficiency, or default status pursuant to this Section 25 and Section 7 of the General Terms and Conditions of Transporter's FERC Gas Tariff;
 - (B) Notice to the Replacement Shipper regarding the Replacement Shipper's suspension of service notice;
 - (C) Notice to the Replacement Shipper regarding the Replacement Shipper's contract termination notice due to default or credit-related issues; and
 - (D) Notice to the Replacement Shipper that the Replacement Shipper(s) is no longer creditworthy and has not provided credit alternative(s) pursuant to this Section 25.
- (b) Shipper Responsibilities

- (i) Shipper shall designate up to two representatives who are authorized to receive notices regarding the Shipper's creditworthiness, including requests for additional information, and shall provide to Transporter the Internet E-mail addresses of such representatives prior to the initiation of service. Written requests and responses shall be provided via Internet E-mail, unless otherwise agreed by the parties. The obligation of Transporter to provide creditworthiness notifications is waived until the above requirement has been met. Shipper shall manage internal distribution of any creditworthiness notices that are received. [0.3.7]
 - (ii) Upon receipt of either an initial or follow-up request from Transporter for information to be used for creditworthiness evaluation, the Shipper's authorized representative(s) shall acknowledge receipt of Transporter's request. Transporter and Shipper may mutually agree to waive this requirement. [0.3.4]
 - (iii) Shipper's authorized representative(s) shall respond to Transporter's request for credit information, as allowed by this Section 10, on or before the later of the due date specified in the request or three (3) Business Days. Shipper shall provide all the credit information requested by Transporter or provide the reason(s) why any of the requested information was not provided. [0.3.5]
 - (iv) At any time after Shipper is determined to be non-creditworthy by Transporter, Shipper may initiate a creditworthiness re-evaluation by Transporter. As part of Shipper's re-evaluation request, Shipper shall either update or confirm in writing the prior information provided to Transporter related to Shipper's creditworthiness. Such update shall include any event(s) that Shipper believes could lead to a material change in Shipper's creditworthiness. [0.3.8]
- (c) Designating Notice Representatives

Transporter's and Shipper's authorized creditworthiness representative(s) for Internet E-mail notifications, responses and requests as described in this Section 25 shall be established by initiating a request as prescribed on Transporter's Customer Activities site.

In complying with the creditworthiness-related notifications pursuant to this Section 25 and Section 9 of the General Terms and Conditions of

Transporter's FERC Gas Tariff, Shipper and Transporter may mutually agree to other forms of communication in lieu of Internet E-mail notification. [0.3.10]

25.6 Capacity Reserved for Expansion/Extension Projects

Notwithstanding any other provision of this Tariff, Transporter reserves the right, but shall not be obligated, to reserve for expansion/extension projects capacity that is or that will become available. The four types of capacity that Transporter may reserve subject to the conditions of this Section are as follows:

- (1) Capacity posted on Transporter's Informational Postings Web site as unsubscribed available capacity;
- (2) Capacity posted for bidding pursuant to the provisions of Section 32 of these General Terms and Conditions; provided however that Transporter's reservation of such capacity shall be conditioned on the existing capacity holder ("Existing Shipper") not retaining such capacity pursuant to the exercise of Existing Shipper's rights of first refusal pursuant to Section 32 of these General Terms and Conditions;
- (3) Capacity that is made available to Transporter for use in an expansion/extension project in accordance with the terms and conditions of an offer by Transporter to accept permanent releases of capacity to serve an expansion/extension project;
- (4) Capacity that is returned to Transporter by an existing capacity holder at the expiration of that capacity holder's contract term(s).

Transporter shall post any reserved capacity on its Informational Postings Web site. The reservation posting shall include, but not be limited to, the following information:

- (1) a description of the expansion/extension project for which the capacity is being reserved;
- (2) the quantity of capacity being reserved;
- (3) the location of the reserved capacity on the pipeline System; and
- (4) the estimated in-service date of the expansion/extension project. Transporter shall make reasonable efforts to update the reservation posting up to the in-service date of the expansion/extension project to reflect any material changes in the scope of the expansion/extension project.

Transporter may only reserve capacity for an expansion/extension project for which an open season has been held or will be held within one (1) year of the date that capacity posted as reserved becomes available on a limited-term basis as set forth below. Transporter will not, absent Commission approval, accept advance payments to reserve capacity under this Section.

To the extent capacity reserved under this Section is currently available, Transporter shall make such capacity available for transportation service pursuant to the provisions of Transporter's FERC Gas Tariff on a limited-term basis up to the in-service date of the expansion/extension project(s). For such limited-term agreements, Transporter reserves the right to limit any extension rights provided in the firm transportation agreement or under Transporter's FERC Gas Tariff commensurate with the proposed in-service date of the expansion/extension project. Transporter will indicate in any open season posting of the capacity any limitations on extension rights that will apply to such limited-term transportation service.

25.7 Capacity Reserved for Pre-arranged Deals

- (a) Pre-Arranged Capacity. Transporter may sell firm capacity with service commencement dates more than ninety (90) days in the future, when such capacity is either available unsubscribed capacity or capacity that will become available and is not subject to a right of first refusal, by selling such capacity on a pre-arranged basis.
- (b) If Transporter proposes to sell capacity on a pre-arranged basis, Transporter will post the terms of the pre-arranged transaction and other parties will have an opportunity to bid on the capacity pursuant to 25.7 below. At the time Transporter enters into a pre-arranged service agreement, Transporter will post a notice on its Internet Web site indicating that the pre-arranged capacity will be subject to an open bidding process within three (3) business days, even if such capacity has already been subject to an open season bidding process and is currently posted as available capacity. If another party submits an acceptable bid on a net present value basis, the pre-arranged Shipper will have a one-time right to match the higher bid in order to retain the capacity. If the pre-arranged Shipper elects not to match a higher competing bid, the capacity will be awarded to the bidder with the highest net present value acceptable bid. If there is an open season ongoing for certain capacity, Transporter will not enter into a pre-arranged deal for that capacity during the open season.
- (c) Transporter will separately identify on its Internet Web site all capacity that is anticipated to become available and is not subject to a right of first

refusal. Transporter will not enter into any pre-arranged deals for capacity that has not previously been posted on its Internet Web site.

- (d) To the extent capacity reserved under this Section is currently available, Transporter shall make such capacity available for transportation service pursuant to the provisions of Transporter's FERC Gas Tariff on a limited-term basis up to the in-service date of the pre-arranged transaction. For such limited-term agreements, Transporter reserves the right to limit any pre-arranged transaction rights provided in the firm transportation agreement or under Transporter's FERC Gas Tariff commensurate with the proposed in-service date of the pre-arranged transaction. Transporter will indicate in any open season posting of the capacity any limitations on extension rights that will apply to such limited-term transportation service.

25.8 Solicitation of Bids for Capacity

- (a) Transporter shall (1) post notice of its capacity that is available on a first-come, first-served basis, for service to start immediately or in the future, or (2) post notice of an open season for its available capacity for service to start immediately or in the future, or (3) post notice of an open season for expansion projects including requests for incremental service at a date later than the in-service date of the expansion facilities.

Regarding (2) and (3), the open season notice will be posted for a period of no less than three Business Days for available capacity for service to start immediately or in the future and no less than 20 Business Days for expansion projects on Transporter's system and will include the following information:

- (i) the location of the capacity or proposed expansion;
 - (ii) the total quantity, if applicable;
 - (iii) the date capacity is available or proposed to be available; and
 - (v) bid evaluation methodology, if applicable.
- (b) Regarding (2) and (3), the bid methodology will include a net present value (NPV) analysis and the notice will be posted at least three business days prior to bidding. In addition, Transporter will post whether bids have been received, the full net present value analysis for the highest bid received, the Shippers' bids, and the actual calculation of the NPV. Transporter will award the capacity based upon the highest net present value. In the event of equal bids on the basis of a NPV calculation,

capacity will be awarded on a pro rata basis. Shipper shall be required to indicate in its bid whether it is willing to accept a lesser quantity in the event such capacity is awarded on a pro rata basis due to equal bids. For purposes of its NPV evaluation, Transporter may consider the aggregate NPVs of two or more bids.

- (c) Regarding (2), if no acceptable bids are received during an open season, Transporter will post the capacity on its Informational Postings Web site in order that it may be awarded on a first-come, first-served basis at a mutually agreed upon rate. Shippers must submit a request for such capacity by electronic mail to Transporter's Marketing Department. The time stamp on the communication will be used to determine the sequence of bids.

Transporter reserves the right not to award such capacity at less than the applicable Maximum Rate. Transporter shall not award such capacity at less than the Maximum Rate to an affiliate as defined in Part 358 of the Commission's regulations unless a request for a discount from an affiliate is first posted for competitive bid and no other competitive bids are determined to be the best bid as a result of such posting.

26. RESERVED FOR FUTURE USE

27. RELATIONSHIP WITH MARKETING AFFILIATE

Pursuant to 18 CFR 358.4 (b), OkTex shall post the required information pertaining to marketing affiliates on its web site on the public Internet and update the information within seven (7) business days of any change.

28. Complaint Procedures

28.1 Shippers are first encouraged to work with Transporter to resolve problems on an informal basis prior to filing a formal complaint.

28.2 In the event of an unresolved problem, Shipper should submit a complaint in writing to Transporter at the following address:

OkTex Pipeline Company
100 W. 5th Street, MD 12-4
Tulsa, Oklahoma 74103
Attn: Manager of Contract Administration

The complaint should contain sufficient facts to identify the specific transportation and/or problem involved and an explanation of why, in the Shipper's opinion, the situation gave rise to the complaint. The complaint will be logged pursuant to Section 250.16 of the Commissions regulations, upon receipt by Transporter. Such complaint shall state that it constitutes a complaint pursuant to the procedure.

28.3 Transporter shall respond to all complaints initially within 48 hours and in writing within thirty (30) days of the date the complaint was logged.

28.4 If the complaint is not resolved to the Shipper's satisfaction, the Shipper may request formal review by the Vice President of Commercial.

29. VALID REQUEST INFORMATION

The specific information and format for a valid request for transportation service under Rate Schedule FTS and ITS are contained in Section 2.2 of FTS Rate Schedule and Section 2.2 of the ITS Rate Schedule of Transporters Tariff, Volume No. 1.

30. PROCEDURES TO INFORM SHIPPERS - INFORMATIONAL POSTINGS AND CUSTOMER ACTIVITIES WEB SITES

30.1 Inquiries related to the capacity at receipt points, on the mainlines, and/or at delivery points and whether such capacity is available directly from Transporter or by capacity release on Transporter's system should be directed to Transporter's Informational Postings Web site.

30.2 In accordance with NAESB WGQ Standard Nos. 4.3.22, 4.3.23, 4.3.24, 4.3.25, 4.3.26, 4.3.27, and 4.3.28, Transporter has established an Informational Postings Web site for use by any party, including Shippers and potential shippers. The Informational Postings Web site is available on a nondiscriminatory basis to any party that has compatible equipment for electronic transmission of data, provided that such party agrees to comply with the procedures for access to and for use of the Informational Postings Web site.

30.3 The Informational Postings Web site will, to the extent necessary, permit users to electronically download a file(s) from the Informational Postings Web site and split extremely large files into smaller files prior to such download. Transporter will maintain and retain daily back-up records of the information displayed on the Informational Postings Web site for three (3) years and permit users to review those records, which will be archived and reasonably accessible. Transporter will periodically purge transactions from current Informational Postings Web site files when transactions have been completed. Information on the most recent entries will appear ahead of older information.

30.4 A user has the option to utilize the Informational Postings Web site for the purposes of (a) requesting service and tracking service agreements; (b) exercising its rights as an existing Shipper of Transporter pursuant to Section 32 of the General Terms and Conditions or submitting a bid as a potential shipper of Transporter under such article; or (c) participating in Transporter's capacity release program pursuant to Section 33 of the General Terms and Conditions.

30.5 Transporter shall inform, on a timely basis via the Informational Postings Web site, all interested persons about the availability of firm and interruptible capacity (a) at receipt points; (b) on each pipeline segment, and (c) at delivery points, and whether such capacity is available directly from the Transporter or indirectly from Transporter's capacity release program. Transporter shall maintain both in written form and on its Informational Postings Web site a master receipt point list containing the following information for each pipeline segment. Such information shall be updated promptly when additional pipeline segments or receipt points are added to the system.

- (a) Name of Receipt Point;
- (b) Meter number of receipt point;
- (c) Location (legal description) of receipt point;
- (d) Operator name and phone number to the extent available;

- (e) Availability of electronic gas measurement;
- (f) Receipt point design capacity;
- (g) Any firm capacity already assigned at the point;

30.6 Transporter shall comply with NAESB WGQ Quadrant Electronic Delivery Mechanism related standards: 4.3.1-3, 4.3.16-18, 4.3.20, 4.3.22-28, 4.3.30-36, 4.3.38, 4.3.40-50, 4.3.52-55, 4.3.57, 4.3.58, 4.3.60-62, 4.3.66-69, 4.3.72, 4.3.75, 4.3.78-87, 4.3.89-105, 10.3.1, 10.3.3-12, and 10.3.14-27.

30.7 Trading partner agreements and minimum sites shall be in accordance with NAESB WGQ Standard No. 10.3.10. The roles of senders and receivers are defined as specified in NAESB WGQ Standard No. 10.3.14. Security between Transporter and trading partners will adhere to NAESB WGQ Standard No. 10.3.15. The Form of Electronic Data Interchange (EDI) Trading Partner Agreement is located on the Customer Activities Web site at www.oneok.com/okt.

30.8 Transporter, on the effective date of and pursuant to Section 33 of the General Terms and Conditions, will post on the Informational Postings Web site for a reasonable time the price, terms and conditions, and names of the parties to all capacity release and assignment agreements existing on that date. All firm capacity holders who have executed such agreements prior to that date must provide such information to the Transporter for posting on the Informational Postings Web site. Such posting is to make those agreements public and not to prompt potential shippers to submit a bid for such capacity.

30.9 Transporter will provide access to an on-line, read-only copy of its currently effective FERC Gas Tariff, including the General Terms and Conditions via the Informational Postings Web site.

30.10 Any provisions of this FERC Gas Tariff requiring that these matters be written or in writing are satisfied by either Shipper or Transporter utilizing electronic transmission through the Informational Postings Web site in accordance with the procedures for utilization of the Informational Postings Web site when subsequently verified by a timely signed writing. All other provisions requiring items or information to be written or in writing remain unchanged.

30.11 In order to access Transporter's Customer Activities Web site, Shipper must contact Transporter. If requested, Transporter will provide the address, telephone number, and user fees of Transporter's Customer Activities Web site service provider.

30.12 Transporter is the exclusive proprietor of the Customer Activities Web site and of all the copyrights and proprietary interests therein, except insofar as any third party possesses a copyright or proprietary interest in such materials. Shipper will not by virtue of this Article or the executed Customer Activities Web site Agreement acquire any proprietary interests in the Customer Activities Web site or its files. Although Transporter is not the

proprietor of certain data and information contained in the files of the Customer Activities Web site, Shipper will use the Customer Activities Web site for research purposes only and will not publish, broadcast, sell, or use any material received from the Customer Activities Web site in any manner of fashion that may infringe any copyrights or proprietary interests Transporter or any third party may have in the Customer Activities Web site and materials included therein.

30.13 Shipper assumes sole responsibility for all use of the Customer Activities and/or Informational Postings Web sites and hereby indemnifies and holds Transporter harmless against and liability or claim of any person that is attributed to improper use of the Customer Activities/Informational Postings Web sites by Shipper. In no event will Transporter be liable to Shipper for consequential, exemplary, or special damages resulting, in whole or in part, from Shipper's use of the Customer Activities/Informational Postings Web sites.

30.14 Transporter's employees are not authorized to assist Shipper in framing a search request. If, notwithstanding the foregoing, a Shipper requests and/or receives assistance from Transporter employees in framing a search request, such assistance will be at Shipper's risk and Transporter will not have any responsibility or liability arising therefrom. For the purposes of this Article, "framing a search request" shall mean the process by which a Shipper identifies the research problem, selects the words, phrases, or numbers to be searched upon, and determines the relationship to each other of such words, phrases, and numbers and the order in which they are to be submitted.

30.15 Transporter warrants that, without the express consent of Shipper or as provided for in Section 32 or 33 of the General Terms and Conditions, no Transporter's employee or agent will disclose to any third party any information regarding research performed through the use of the Informational Postings Web site by Shipper.

31. FERC ANNUAL CHARGE ADJUSTMENT

ACA Adjustment. The rates set forth in Rate Schedules FTS and ITS shall be adjusted from time to time to reflect the annual charge assessed Transporter by the FERC pursuant to Order No. 472 or any other superseding rule or order.

- (a) The current ACA Adjustment shall be the unit amount, adjusted as necessary for heating value and pressure base, which the FERC orders to be effective for the fiscal year commencing on the effective date of the adjustment, as published on the Commission's web site located at <http://www.ferc.gov>.
- (b) Transporter shall retain all revenues collected under this Section 31. Except as provided by this Section 31 Seller shall not have the right to seek to recover in any proceeding under Section 4(e) of the Natural Gas Act any such revenues recorded in its FERC Account No. 928.

32. RIGHT OF FIRST REFUSAL AND EXTENSION OF SERVICE AGREEMENTS

32.1 Applicability

This Section 32 shall apply only to firm service agreements:

- (a) For twelve consecutive months or more at the applicable Maximum Rate for that service;
- (b) For more than one year for a service that is not available for twelve (12) consecutive months at the applicable Maximum Rate for the services;
- (c) Extended at the applicable Maximum Rates for a term of one year or more pursuant to the terms of such agreements or of Section 41 of these General Terms and Conditions, even if the service was at a negotiated rate or at less than the Maximum Rates prior to such extension period; or
- (d) That expressly apply the provisions of this Section 32 or include a right of first refusal, provided that Transporter may agree to include a right of first refusal only on a not unduly discriminatory basis.

The right of first refusal will not apply to interim service agreements associated with expansion/extension projects as set forth in Subsection 25.6 of the General Terms and Conditions or pre-arranged transactions as set forth in Subsection 25.7 of the General Terms and Conditions.

Shipper may exercise its right to retain a portion of its firm service entitlement, subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of the service under its agreement.

Subject only to Shipper's right of first refusal to continue service, Transporter shall have all necessary abandonment authorization under the Natural Gas Act as of the expiration date of any service agreement and shall not be required to seek case specific authorization prior to abandoning service.

32.2 Right of First Refusal

To exercise its right of first refusal to continue service for all or a portion of the firm capacity covered by a service agreement, that meets the requirements of Subsection 32.1 above, the Shipper must provide notice to Transporter pursuant to Subsection 32.3 below that it desires to continue its service agreement and that it may match the best bid that is offered by another person desiring such capacity as set forth in

Subsection 32.5 below, provided that Transporter shall not be obligated to provide service at less than the applicable Maximum Rates.

32.3 Notice to Transporter

Shipper shall notify Transporter in writing of its intention: (i) to exercise a right of first refusal for all or a portion of the Transportation Quantity stated in its service agreement; (ii) to terminate the service agreement or (iii) to request a lesser extension of the term ("Shipper Notice"). The Shipper Notice must be made at least six (6) months in advance of service agreement expiration.

Unless a service agreement expressly provides otherwise, if Shipper fails to provide the Shipper Notice at least six (6) months in advance of the service agreement expiration, the service agreement will automatically extend upon the expiration of the primary term for a term of one year at the applicable Category 1 Maximum Rate. Thereafter, subject to the notice requirements of this Subsection 32.3, the service agreement shall repeatedly extend for successive one year terms. If Shipper provides its Shipper Notice under this Subsection 32.3, Shipper shall not be obligated to provide an additional Shipper Notice under Subsection 41.5 of the General Terms and Conditions.

32.4 Posting of Capacity

Upon receipt of the notice required in Subsection 32.3, Transporter shall post on its Informational Postings Web site that capacity will be available upon the expiration of Shipper's firm transportation service agreement. The capacity shall be posted for a minimum period of fourteen (14) days with such posting containing the following information with respect to the capacity:

- (a) Daily and other applicable quantity limitations of capacity available;
- (b) Transportation Path;
- (c) Maximum Rate (Monthly Demand) as set forth in the Summary of Rates and Charges in Transporter's FERC Gas Tariff;
- (d) Any minimum acceptable bid;
- (e) Any applicable restrictions; and
- (f) The last day of the bidding period.

32.5 Bidding Procedures

Each bidder for Shipper's firm capacity, or any part thereof, must submit its bid to Transporter through Transporter's Customer Activities Web site within the time specified by Transporter. Each bid shall contain the term for which the capacity is sought and a Monthly Demand rate that is either (i) a percentage of the Maximum Rate or (ii) a negotiated rate. If Transporter receives more than one bid for Shipper's capacity, and it does not reject all bids as provided below, it will choose the bid, or combination of bids, having the highest net present value in accordance with the present value formula set forth in Section 33 of the General Terms and Conditions for the evaluation of bids under Transporter's capacity release mechanism. Transporter reserves the right to reject any bid that is for less than the applicable Maximum Rates.

All proposed terms must begin as of the expiration of the Transportation Quantity under the existing service agreement and be for a consecutive period.

For purposes of comparing bids, (i) negotiated rates above the Maximum Rate will be deemed equal to the Maximum Rate and (ii) the Maximum Rates will be deemed to be those in effect as of the date Transporter posts the capacity as available pursuant to Subsection 32.4.

32.6 Right to Match Best Bid

- (a) Transporter will notify Shipper within three (3) business days of the best bid(s) that Transporter is willing to accept, and Shipper shall have ten (10) business days from receipt of Transporter's notice to match the bid and contract term, not to exceed five (5) years, offered in the best bid(s) in order to retain its firm capacity. If Shipper matches the best bid(s), Shipper will enter into a new service agreement for firm service reflecting the terms of Shipper's matching bid within 30 days of the date Shipper provided notice that it would match the best bid. If Shipper fails to match the best bid or fails to execute a new firm service agreement within the time periods set forth in this Section, Shipper's existing service agreement for firm service will be subject to pregranted abandonment upon the effective termination date of Shipper's service agreement for firm service, and Transporter may enter into a new service agreement for firm service with the party or parties offering the best bid.
- (b) In the event Transporter does not receive any bids for Shipper's capacity or any bids that are acceptable to Transporter, Shipper shall have the right to retain its firm capacity at the applicable Maximum Rates applicable thereto, or any discounted rate or negotiated rate agreed to by Transporter, for an additional term as requested by Shipper, provided that

Transporter shall not be obligated to provide service at less than the applicable Maximum Rate.

- (c) If Shipper does not elect to extend its service agreement pursuant to the provisions contained therein and in this Section 32, such service agreement shall terminate and be subject to pregranted abandonment.

33. CAPACITY RELEASE

33.1 Transporter will provide a firm capacity release mechanism pursuant to this Section 33 through which existing Shippers can voluntarily release and assign all or part of their firm transportation capacity rights to a potential shipper that wants to obtain that capacity by contracting with Transporter. Shippers may release and assign their firm transportation capacity on Transporter (Part 284 capacity) only under this Section 33 of the General Terms and Conditions. Individually certificated capacity cannot be released hereunder. Transporter will provide volumetric releases in accordance with NAESB WGQ Standard No. 5.3.5. A capacity release with a term of one year or less and the release is to take effect on or before one year from the date on which the Shipper notifies the Transporter of the release may exceed the maximum rates for the applicable service being released as set forth on the applicable currently effective tariff sections. The rate paid by Shipper for these releases will be deemed to be a final rate and is not subject to refund.

33.2 Transporter's Shippers under Rate Schedule FTS are permitted to release their capacity, in whole or in part, on a permanent or temporary basis, on a firm or interruptible basis, provided Shipper complies with the applicable provisions of this Section 33. Such existing Shipper may propose a potential shipper to obtain its released capacity from Transporter.

33.3 A firm Shipper that wants to release any or all of its firm capacity must submit (1) a Shipper's Form (Schedule A, attached hereto) to the Transporter, or (2) the information required therein electronically via the Customer Activities Web site (hereinafter referred to as "Shipper's Notice"). If the Shipper is willing to accept contingent bids for such release capacity, the Shipper shall advise the Transporter in detail of the contingencies (in form, content and operation) that are acceptable. Shipper shall also advise Transporter whether, or for what time period, the next highest bidder will be obligated to acquire the capacity should the winning contingent bidder exercise its option not to take the capacity. Pursuant to NAESB WGQ Standard No. 5.3.19, Transporter shall allow re-releases on the same terms and basis as the primary release (except as prohibited by regulations and Section 33.17).

33.4 Except as provided in Sections 33.17 and 33.18, all Shippers' Notice(s) will be posted on Transporter's Informational Postings Web site in accordance with the provisions of Section 33.20. Transporter may take other action to market any released capacity. The Shipper may search for any party to take its capacity both before and after the capacity is posted on the Informational Postings Web site. However, a capacity release cannot be consummated until after it is posted. Contracting is done directly with Transporter. Transporter will post on its Informational Postings Web site its available firm or interruptible capacity and the terms and conditions applicable to such capacity. Potential shippers may elect, in their discretion, to contract for Transporter's uncommitted firm capacity, the released capacity or interruptible capacity.

For the recall notification provided to Transporter, Transporter's Tariff shall specify whether the quantity should be expressed in terms of (i) total released capacity entitlements or (ii) adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. The capacity entitlements resulting from the use of either (i) or (ii) should be the same. [5.3.55] The recall notification to Transporter shall specify the quantity in terms of total released capacity entitlements.

Transporter shall support the following recall notification periods for all released capacity subject to recall rights (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17) [5.3.44].

Timely Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due.
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due.

Early Evening Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due.
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due.

Evening Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due.
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due.

Intraday 1 Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due.
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due.

Intraday 2 Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 12:00 p.m. on the day that Intraday 2 Nominations are due.
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due.

Intraday 3 Recall Notification:

- A Releasing Shipper recalling capacity shall provide notice of such recall to Transporter and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due.
- Transporter shall provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.

There should be no partial day recalls of capacity. Transporter shall support the function of reputting by Releasing Shippers. [5.3.7]

33.5 The Releasing Shipper shall specify which one of the following methods is acceptable for bidding on a given capacity release Offer [5.3.26]:

Non-Index-based release – dollars and cents,
Non-Index-based release – percentage of maximum rate, or
Index-based formula as detailed in the capacity release offer.

The Bids for the given capacity release Offer shall adhere to the method specified by the Releasing Shipper. [5.3.26]

Except as provided in Sections 33.17 and 33.18, a potential shipper that wants to bid for any or all of a Shipper's released capacity must submit (1) a Bidder's Form (Schedule C, attached hereto) to the Transporter or the information required therein electronically via the Informational Postings Web site (hereinafter referred to as "Bid Notice"). All Bid Notices will be posted on Transporter's Informational Postings Web site in accordance with the provision of Section 33.20. A potential shipper may withdraw its bid at anytime prior to 5:00 p.m. on the ninth business day prior to the beginning date of the release period.

Pursuant to NAESB WGQ Standard Nos. 5.3.12, 5.3.13, 5.3.14, 5.3.15, 5.3.16, and 5.3.25: Bids and Offers shall be complete before being posted. Only posted Offers and Bids shall be available electronically. Bids shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web site. Offers shall be binding until notice of withdrawal is received by Transporter on its Customer Activities Web site. Bids cannot be withdrawn after the bid period ends. The releasing party has the right to withdraw its Offer during the bid period, where unanticipated circumstances justify and no minimum Bid has

been made. A Releasing Shipper shall not be able to specify an extension of the original bid period or the pre-arranged deal match period, without posting a new release.

Once a bid is withdrawn, then the potential shipper may not submit another bid at a lower price; the potential shipper may submit another bid at a higher price, but such bid must be submitted prior to close of bid period.

33.6 At the close of the Bid Period as provided in Section 33.20, Transporter shall select among the bids received pursuant to Section 33 from potential shippers the "best bid", as determined by Shipper's designated methodology, or if no methodology specified by the Shipper then the best bid will be determined in accordance with Section 32.5.

For the capacity release business process timing model, only the following methodologies are required to be supported by Transporter and provided to Releasing Shippers as choices from which they may select and, once chosen, shall be used in determining the Awards from the Bid(s) submitted. They are: 1) highest rate, 2) net revenue and 3) present value. For index-based capacity release transactions, the Releasing Shipper shall provide the necessary information and instructions to support the chosen methodology. [5.3.3]

Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of Transporter. However, Transporter is not required to offer other choices or similar timeline treatment for other choices, nor, is Transporter held to the timeline should the Releasing Shipper elect another method of evaluation. [5.3.3]

Transporter will give any potential shipper found by the Shipper an opportunity to match or exceed the "best bid" via the Informational Postings Web site in accordance with Section 33.20. If the potential shipper matches the "best bid", the released capacity will be allocated to the potential shipper who submitted the "best bid" first in time. For purposes of the preceding sentence, all "best bids" submitted shall be allocated to the potential shipper who submitted the "best bid" first in time. When Transporter makes awards of capacity for which there have been multiple Bids meeting minimum conditions, Transporter shall award the Bids, best Bid first, until all offered capacity is awarded. [5.3.4]

33.7 Transporter shall notify the potential shipper(s) selected in accordance with Section 33.20 of the acceptance of its bid ("winning bid") and provide notice to all bidders of the "winning bid" via the Informational Postings Web site in accordance with Section 33.20. The notice posted to the Informational Postings Web site will contain all of the information submitted in selected potential shipper's Bid Notice.

Pursuant to NAESB WGQ Standard Nos. 5.3.8, 5.3.28 and 5.3.29: Reput methods and rights shall be specified at the time of the deal. Reput method and rights are individually negotiated between the Releasing Shipper and Replacement Shipper. Release quantity shall be expressed as a numeric quantity only. Basis for released quantity shall be per day

for transportation, storage injection, storage withdrawal, and a per-release quantity for storage capacity and total release period quantity.

Transporter shall post Offers and Bids, including prearranged deals, upon receipt. A Releasing Shipper may request a later posting time for posting of such Offer, and Transporter shall support such request insofar as it comports with the standard Capacity Release timeline specified in NAESB WGQ Standard No. 5.3.2. [5.3.24]

Pursuant to NAESB WGQ Standard Nos. 5.3.10 and 5.3.11: Transporter shall support the creation of prearranged deals on Transporter's Customer Activities Web site. Replacement Shipper initiates confirmations of prearranged deals electronically.

33.8 Transporter will be required to post Shipper's Notices of release as set forth on Section 33.20 and will maintain such posting until the best bid is determined and posted on the Informational Postings Web site and the winner is notified and to otherwise comply with the provisions of this Article. If the potential shipper satisfied all of Transporter's tariff provisions governing Shipper eligibility and his bid is accepted by the existing Shipper, Transporter will execute the applicable service agreement with the potential shipper in accordance with Section 33.20. Less than maximum rate transactions will adhere to NAESB WGQ Standard No. 5.3.22. For amendments to individual releases refer to NAESB WGQ Standard No. 5.3.9.

33.9 The service agreement of the existing Shipper releasing capacity will remain in full force and effect, with a portion of the proceeds attributable to any release and assignment credited to the releasing Shipper's Monthly Demand Charge as provided in Section 33.9. The releasing Shipper's liability to the Transporter is, however, limited during the term of any capacity release to the applicable demand charges and related surcharges.

33.10 Capacity Release historical data shall be made available on a consistent basis from Transporter, which shall provide for retrieval of open and closed Offers during the FERC archival period. [5.3.20]

33.11 The potential shipper must satisfy all of Transporter's tariff provisions governing Shipper eligibility before it may contract with Transporter for the released capacity. Once the potential shipper enters into a service agreement with Transporter, the potential shipper becomes a Shipper like any other Shipper and is subject to the Transporter's operational provisions as stated in this tariff. In addition, the potential shipper as a Shipper may also release its capacity pursuant to this Article.

33.12 Transporter shall credit the invoice of the releasing Shipper the proceeds actually received by Transporter attributable to capacity rights released by the releasing Shipper, less any administrative fees set forth in Sections 33.13 and 33.14.

33.13 Transporter shall not be paid any administrative fee for capacity release hereunder. Refer to NAESB WGQ Standard No. 5.3.23 for the adjustment of tariff rates.

33.14 Transporter shall be entitled to retain 15% of the Monthly Demand Charge for each month paid by a potential shipper for capacity released by a Shipper when such Shipper requests Transporter takes action to market released capacity beyond posting the information on the Informational Postings Web site and locates the potential shipper. Transporter will not be compensated, however, if it does not locate the potential shipper, such as when the Shipper has a pre-arranged deal or where a potential shipper accepts a posted Shipper Notice without Transporter actively marketing that released capacity. Pursuant to NAESB WGQ Standard No. 5.3.21, on the bidding formats, the number of decimal places for Offers, Bids, and Awards shall be equal to the number of decimal places in the stated rates per pipeline rate schedule.

33.15 Once the conditions of this Tariff are met and the terms and conditions specified in the existing Shipper's offer to release are met, the potential shipper and Transporter will execute an applicable service agreement and the potential shipper will then be considered as any other Shipper on Transporter's system. This service agreement will be available via the Informational Postings Web site, and shall be executed and returned to the Transporter in accordance with Section 33.20.

33.16 Except as provided in Section 33.17, any assignment under this Section 33 shall be for monthly periods with a minimum of at least one month, beginning at any time during a month, and shall be for a maximum period expiring on the earlier of (1) the expiration date of these tariff provisions, or (2) the expiration of the agreement that is assigned when the assignment is for the full term of such agreement.

33.17 A Shipper may release any or all of its firm capacity for any period thirty-one (31) days or less without complying with the notification and bidding requirements of this Section 33 where such Shipper has located a party to take its capacity and the release is posted by the Shipper on the Informational Postings Web site as soon as possible, but not later than the first nomination, after the release transaction commences. Such Shipper may not rollover, extend, or in any way continue a release under this Section to the same party, unless Shipper complies with the notification and bidding requirements of this Section 33, or the party qualifies for any of the other exemptions from the notification and bidding requirements pursuant to Section 33.18. Otherwise, Shipper may not release to the same party under this Section until twenty-eight (28) days after the first release period has ended.

33.18 A Shipper may release any or all of its firm capacity to a designated potential shipper pursuant to a prearranged agreement between such Shipper and potential shipper without complying with the notification and bidding requirements of this Section 33 when the release meets the following requirements:

- (a) the release of capacity is to an asset manager as defined in 18 C.F.R. § 284.8(h)(3);

- (b) the release of capacity is to a marketer participating in a state-regulated retail access program as defined in 18 C.F.R. § 284.8(h)(4); or
- (c) the release of capacity is for more than one year at the applicable maximum rate for the applicable firm transportation service being released.

Notice of the prearranged releases that qualify under this Section must be posted by the Shipper on the Informational Postings Web site as soon as possible, but not later than the first nomination after the release transaction commences. This posting shall conform to NAESB WGQ Standards. In addition, for releases to an asset manager the posting should include the volumetric level of the asset manager's delivery or purchase obligation and the time periods during which that obligation is in effect. The posting should also include whether the release is to a marketer participating in a state-regulated retail access program.

33.19 The capacity release timeline applies to all parties involved in the capacity release process provided that [5.3.1]:

- (a) all information provided by the parties to the transaction is valid and the acquiring shipper has been determined to be credit-worthy before the capacity release bid is tendered
- (b) for index-based capacity release transactions, the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and
- (c) there are no special terms or conditions of the release.

Further, Transporter may complete the capacity release process on a different timeline if the Offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by Transporter). [5.3.1]

33.20 Capacity Release Timeline (all times are CCT pursuant to NAESB WGQ Standard No. 0.3.17) [5.3.2]:

For biddable releases (1 year or less):

- Offers shall be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.

- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon.
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For biddable releases (more than 1 year):

- Offers shall be tendered such that they can be posted by 9:00 a.m. on a Business Day.
- Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
- Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best Bid is made, and ties are broken.
- If no match is required, the evaluation period ends and the Award is posted by 11:00 a.m.
- Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the Award is posted by 12:00 Noon.
- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

For non-biddable releases:

- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard No. 1.3.2. The posting deadlines are:

Timely Cycle	12:00 Noon
Evening Cycle	5:00 p.m.
Intraday 1 Cycle	9:00 a.m.
Intraday 2 Cycle	1:30 p.m.
Intraday 3 Cycle	6:00 p.m.

- The contract is issued within one hour of the Award posting (with a new contract number, when applicable).
- Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

33.21 Under this Section 33, Transporter shall provide the ability for a potential Replacement Shipper to communicate to potential Releasing Shippers, through the Transporter, a request to purchase capacity that is releasable. Such request shall be

provided to Transporter electronically and shall include, at a minimum, the following types of information: contact information, quantity(ies) requested, date range, location information, other terms and conditions specified by the potential Replacement Shipper, and any additional information as required by Transporter. Transporter shall post on its Informational Postings Web site under the Notices category, pursuant to NAESB WGQ Standard No. 4.3.23, instructions on how a request shall be electronically provided to Transporter. [5.3.73]

Transporter shall post such request on its Informational Postings Web site as a Notice identified by a NAESB-defined Notice Type that indicates that it is a request to purchase capacity through the capacity release process and such Notice shall be provided pursuant to NAESB WGQ Standard No. 5.4.16. [5.3.73] Transporter shall post such request for the period requested by the potential Replacement Shipper.

34. PENALTY REVENUE CREDITING

Except for the penalty payments pursuant to 2 of this section one hundred percent (100%) of all penalty revenues received by Transporter during any applicable month will be credited to non-penalized Shippers. Such credits will be allocated to all non-penalized Shippers under Rate Schedule FTS or ITS, except each penalty revenue credit applicable to unauthorized overrun or underrun penalties shall be allocated only to those specified Shippers who were not assessed an unauthorized overrun or underrun penalty on the day for which such penalty revenues are to be credited. The penalty revenue credits will be allocated to the specified Shippers pro rata in proportion to reservation revenue (total revenue, net of credits from capacity releases, less volumetric charges and all surcharges) received by Transporter from each and all of the specified Shippers for each applicable month. Such penalty revenue credits shall be reflected as a credit billing adjustment to each March billing for credits accrued during the prior calendar year. In the event that such credit billing adjustments would result in a credit total invoice to any Shipper, Transporter will refund the credit billing adjustment to the Shipper by check within 15 days after determination of the amount of the credit due to the Shipper.

35. OPERATIONAL FLOW ORDERS

35.1 Operational Flow Orders (OFO) will be issued when required for the maintenance or expansion of the system. Notice of an OFO that is not for emergency repair purposes, will be issued no less than three (3) days prior to the scheduled start date of the OFO.

35.2 Operational Flow Orders (OFO) that are issued on an emergency basis will be communicated as quickly as OkTex is aware of the emergency.

35.3 Notice of an OFO will include the reason for the OFO, the scheduled start date and time, and the anticipated completion date and time. If the OFO extends longer than twenty-four (24) hours, OkTex will issue updates on the status of the OFO and the expected return to service every twenty-four (24) hours. Notice will be given by facsimile transmission and by posting a notice on the web site.

36. SEGMENTATION

36.1 A Shipper may segment its firm capacity to the extent operationally feasible. In addition, any Shipper may segment its firm capacity in releasing to a Replacement Shipper to the extent operationally feasible. A Shipper segmenting its own firm capacity shall effectuate such segmentation through the nomination process under this Section. A Shipper may release firm capacity on a segmented basis to the extent consistent with this Section by following the procedures set out in Section 33 of these General Terms and Conditions.

36.2 For the purposes of this Section, a segmentation of firm capacity (whether of Shipper's own capacity or on release) shall be deemed operationally feasible unless: (i) the segmentation would result in an increase in firm contractual obligation by Transporter on any segment or portion of its system; or (ii) the segmentation would result in a physical haul in a direction opposite to the primary path under the Agreement being segmented, absent a determination by Transporter that it can physically perform the segmentation as requested; (iii) transportation obligation on a segment of pipe with respect to which the transporter is not otherwise obligated to provide transportation service to the shipper requesting segmentation of capacity. Transporter will communicate its determination under (ii) above within two (2) hours after the Shipper requests such segmentation.

36.3 In the event a path is segmented, the secondary points upstream or downstream shall be equally available to each Shipper so long as the combined nominations of the releasing and replacement shippers on any segment of the pipeline do not exceed original contract demand.

36.4 The direction of flow for path segments must be the same direction of flow for the original path. The Shipper (or Replacement Shipper in the case of a release) may nominate service at Receipt and Delivery Points for the path segment that results in a reverse flow from the original path; however, a physical forward-haul will be subject to maximum forward-haul rates if the original path is physically a back-haul, unless otherwise agreed to in writing. Subject to available capacity, forward-hauls and back-hauls to the same point on a transportation path will be permitted. If a discount applies to the original point, the discount will continue to be applied to the extent a similarly situated shipper is receiving a discount at the alternate point. Transporter will respond to any requests for a discount within two (2) days of such request.

36.5 Subject to the availability of firm capacity at the primary point(s), a Shipper, a Replacement Shipper or a Sub-replacement Shipper may change the primary Receipt or Delivery Points listed in the Agreement to new primary point(s) unless Transporter determines that it is not operationally feasible. The new primary point(s) must be within the original primary path of the Agreement if it is all within the same discrete pipeline. Transporter shall not be obligated to reserve firm capacity to reinstate the former primary points upon expiration of the segmentation or the capacity release if such firm capacity has been contracted for by another party.

36.6 Transporter will afford a higher priority for mainline capacity to shippers seeking to use mainline capacity outside of their path, unless Transporter can demonstrate that such priority is operationally infeasible or leads to anti-competitive outcomes on its system. Discounts shall apply to points or transportation paths being segmented only to the extent Transporter explicitly specifies in writing that such discount shall apply.

36.7 To the extent segmentation results in an increase of a Shipper's or Replacement Shipper's firm contract rights and Transporter schedules and confirms that increase in firm contract rights, the Shipper or Replacement Shipper that caused such increase in firm contract rights overlap will be subject to an overrun charge pursuant to Sections 21 and 22 of the General Terms and Conditions, except as provided in subsection 36.4 of this Section 36.

36.8 Transporter reserves the right to evaluate and disallow segmentation on its system on a case-by-case basis for those situations that are not operationally feasible and not already described in this Section. Disallowance of segmentation requests will be made on a non-discriminatory basis. Transporter will post in its Internet web site within 10 business days, the explanation for any disallowance of segmentation not specifically described in this Tariff.

37. THIRD PARTY IMBALANCE MANAGEMENT

Transporter shall allow Shippers to obtain imbalance management services from Third Party Providers in accordance with 18 C.F.R. 284.12(c) (2) (iii), subject to the following provisions regarding coordination between Transporter and any Third Party Provider:

37.1 The imbalance management services offered and provided by a Third Party Provider will be limited to balancing services for Shippers on Transporter's system.

37.2 Transporter will not allow a Third Party Provider to provide an imbalance management service that would cause either a Shipper(s) or Transporter to participate in an activity that is in violation of any other Section of Transporter's FERC Gas Tariff.

37.3 Transporter will not allow a Third Party Provider to provide a service which involves the resale and/or repackaging of an existing balancing service offered by Transporter if the resale and/or repackaging would create a greater obligation on Transporter or other Shippers than existed prior to the resale and/or repackaging.

37.4 Prior to offering Imbalance Management Services on Transporter's facilities, a Third Party Provider must provide Transporter with the following information:

(a) a clear definition of the operational changes the Third Party Provider will effectuate at points on Transporter's pipeline system in order to offset the operational effects on Transporter of imbalances and quantification of the extent to which such imbalances will be resolved through the provisions of Third Party Imbalance Management Service;

(b) a description of Transporter's facilities to be used by the Third Party Provider to effectuate the imbalance services, including the points of interconnect (delivery and/or receipt points) between Third Party's facilities and Transporter's pipeline system by which the Third Party Provider will effect changes on Transporter's pipeline system, subject to the following: (i) bi-directional flow must be available at the delivery and/or receipt points to be utilized to provide Imbalance Management Services, and (ii) the Third Party Provider must have the ability to deliver gas to and receive gas from Transporter's pipeline system in order to provide a physical balancing service, i.e., a - papertransaction will not qualify as a Third Party imbalance management service;

(c) the method by which the Third Party Provider will give a timely notice of the nature and level of imbalance services to be provided by it to Shippers on Transporter's pipeline system on any given day;

(d) a certification by the Third Party Provider that, if applicable, its service will be provided pursuant to all applicable NAESB standards including without limitation time lines, notices and data sets;

(e) a copy of Third Party Provider's Imbalance Services Agreement with Transporter's Shipper;

37.5 a Third Party Provider must agree to indemnify Transporter for any costs, expenses or liabilities which might arise or accrue against Transporter due to the imbalance management services provided by the Third Party Provider.

37.6 a Third Party Provider must agree to post a performance bond or other evidence of its ability to perform the imbalance services.

37.7 a Third Party Provider must execute with Transporter a Transportation or Storage Service Agreement as necessary to perform the Third Party Imbalance Management Service on Transporter's pipeline system.

37.8 To the event a Third Party Provider offers an imbalance management service which is subject to the Commission's jurisdiction the Third Party Provider must obtain the necessary Commission approval to provide the service (including, but not limited to, certification, tariff approval, established rates) prior to commencing imbalance management services for Shippers on Transporter's pipeline system.

37.9 In the event a Shipper purchases third party imbalance management services, the Third Party Provider fails in whole or in part to provide those services, and an imbalance results, to the extent of such failure Shipper will be deemed to have no imbalance management service and Shipper will pay Transporter a penalty in an amount pursuant to Sections 20, 21, 22, 23 of the General Terms and Conditions, plus any additional costs incurred by Transporter to provide the services.

38. NETTING AND TRADING OF IMBALANCES

When applicable at the end of each Month, to the extent unauthorized quantities are recognized pursuant to Sections 20, 21, 22, and 23 of the General Terms and Conditions, the following transportation fees and netting and trading procedures will apply:

38.1 Unauthorized Quantities under a Customer's different Service Agreements will be netted together to obtain the Customer's Total Monthly Imbalance ("TMI"). The TMI will be shown with the monthly billings sent to Customers. To facilitate the trading or offsetting of a Customer's TMI, OkTex will post on its electronic bulletin board, on or before the ninth business day of the month, the TMI of any Customer that has not notified OkTex in writing that the Customer does not elect to have that information posted. Customers or their agents may then trade offsetting imbalances to OkTex with Customers or their agents until the close of business on the seventeenth business day of the month ("Trading Period"). Parties that agree to trade all or part of an imbalance must notify OkTex in writing on or before the seventeenth business day of the month; otherwise, such trade shall not be effective. Any Customer's unauthorized quantity remaining after the Trading Period will be charged a penalty pursuant to the provisions of Sections 20, 21, 22, and 23 of the General Terms and Conditions.

38.2 The netting of imbalances does not relieve Customer of the obligation to pay all transportation charges for the quantity of gas actually delivered to Customer during the month.

39. NORTH AMERICAN ENERGY STANDARDS BOARD WHOLESALE GAS QUADRANT ("NAESB WGQ") STANDARDS

Compliance with 18 CFR, Section 284.12

Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR Section 284.12(a). Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

Pursuant to NAESB's Copyright Procedure Regarding Member and Purchaser Self-Executing Waiver as adopted by the NAESB Board of Directors on April 4, 2013, Transporter may publish in its tariff, compliance filings, in communications with customers or stakeholders in conducting day to day business or in communications with regulatory agencies some or all of the language contained in NAESB standards protected by copyright, provided that Transporter includes appropriate citations in the submission.

Transporter has elected to reproduce only the following NAESB WGQ standards subject to NAESB's limited copyright waiver. With respect to each reproduced standard listed below, Transporter incorporates the following: © 1996 – 2020 NAESB, all rights reserved.

<u>NAESB Standard</u>	<u>Tariff Record</u>	<u>Tariff Provision</u>
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Creditworthiness Standards:

0.3.3	Part 8.41, Requests for Service	25.4(a)(ii)
0.3.4	Part 8.41, Requests for Service	25.4(b)(ii)
0.3.5	Part 8.41, Requests for Service	25.4(b)(iii)
0.3.6	Part 8.41, Requests for Service	25.4(a)(iii)
0.3.7	Part 8.41, Requests for Service	25.4(a)(i); 25.4(b)(i)
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<u>NAESB Standard</u>	<u>Waiver or Extension of Time</u>
4.3.60	Waiver

40. SALES AND PURCHASES OF GAS FOR OPERATIONAL PURPOSES

40.1 Operational Transactions

Transporter may from time to time, in its discretion, enter into purchase or sale transactions with third parties to balance its system and to maintain operational integrity of the system. Such transactions may include, but are not limited to, purchases or sales:

- (i) to maintain system pressure and line pack;
- (ii) to balance fuel quantities;
- (iii) to resolve Shipper imbalances or other imbalances;
- (iv) to adjust line pack in advance of anticipated changes in demand (e.g., due to forecasted temperatures) or operational conditions (e.g., planned maintenance on Transporter's system or the systems of upstream or downstream pipelines); and
- (v) to perform other operational functions of Transporter. Transporter shall conduct such transactions on a not unduly discriminatory basis.

40.2 Gas Sales Procedures

Transporter shall have the right to make the interruptible sales of excess gas described in this subsection of the General Terms and Conditions from time to time pursuant to the terms of the blanket certificate of public convenience and necessity granted to Transporter pursuant to 18 C.F.R. Part 284, Subpart J and Order No. 636 of the Commission. Sales of gas pursuant to this subsection shall be made under rates, terms and conditions mutually agreed upon between Transporter and purchasers, provided, however, that all such sales shall be fully interruptible and shall be curtailable pro rata without regard to transportation arrangements made by purchasers. Transporter shall either post notice of such sales on its Informational Postings Page in order to obtain bids for such gas or shall make such sales through an independent party such as the Intercontinental Exchange (ICE) or another independent trading platform, exchange or clearing house.

40.3 Gas Sales and Purchase Report

This report describes Transporter's gas purchases and sales for the prior annual period. At the end of each annual period, Transporter will file with the

Commission a report describing Transporter's gas purchases and sales for the prior annual period, which for purposes of this report, begins on September 1.

41. TERMINATION OR MUTUAL EXTENSION OF SERVICE AGREEMENTS

41.1 Early Termination in Exchange for Extension

Shipper and Transporter may mutually agree to the early termination of one or more service agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. A new term shall be determined for the service agreements and shall be from the service commencement date of the extension to the end of the extension period. Shipper need not participate in an open season for the extension nor must the extended capacity be posted on Transporter's Informational Postings Web site as unsubscribed, available capacity prior to the extension.

41.2 Extension of Capacity Use

Shipper and Transporter may mutually agree to extend the term of a service agreement with respect to all or part of the underlying capacity.

41.3 Negotiated Rates

Transporter and Shipper may mutually agree on a not unduly discriminatory basis that the extension of a service agreement will be at a discounted or negotiated rate as set forth in Section 42 of these General Terms and Conditions.

41.4 Rights of First Refusal

The agreement to extend under this Section 41 must be reached prior to the posting of the capacity pursuant to Subsection 32.4 of the General Terms and Conditions. Nothing in this Section shall preclude the Shipper from making a timely election pursuant to Subsections 32.2 and 32.3 of the General Terms and Conditions if Shipper and Transporter are not able to agree upon a new term length or other terms and conditions of service.

41.5 Termination of Firm Agreements

Shipper shall notify Transporter in writing of its intention: (i) to terminate the service agreement or (ii) to request a lesser extension of the term ("Shipper Notice"). The Shipper Notice must be made at least six (6) months in advance of the service agreement expiration.

If Shipper fails to provide the Shipper Notice at least six (6) months in advance of the service agreement expiration, the service agreement will automatically extend upon the expiration of the primary term for a term of one year at the applicable Category 1 Maximum Rate. Thereafter, subject to the notice requirements of this Subsection 41.5, the service agreement shall repeatedly extend for successive one year terms. If

Shipper provides its Shipper Notice under this Subsection 41.5, Shipper shall not be obligated to provide an additional Shipper Notice under Subsection 32.3 of the General Terms and Conditions. Nothing in this Subsection 41.5 shall supplant or abridge any ROFR rights, which are covered in Subsection 32.3 of the General Terms and Conditions.

42. NEGOTIATED AND DISCOUNTED RATES

42.1 Negotiated Rates

Notwithstanding any provision of Transporter's effective FERC Gas Tariff to the contrary, Transporter and Shipper may mutually agree in writing to a Negotiated Rate with respect to rates, rate components, charges, or credits that are otherwise prescribed, required, established or imposed in this Section 42 or by any other applicable provision of Transporter's effective FERC Gas Tariff. The Negotiated Rate may be less than, equal to or greater than the Maximum Rate; shall not be less than the Minimum Rate; may be based on a rate design other than straight fixed variable; and may include a minimum quantity. The Maximum Rate shall be available to any Shipper that does not choose a Negotiated Rate. Nothing in the provisions governing Negotiated Rate Agreements shall authorize Transporter or Shipper to violate FERC's policy with respect to negotiation of terms and conditions of service. Such Negotiated Rate shall be set forth on an executed transportation agreement.

If Transporter agrees to such Negotiated Rate(s), then the Negotiated Rate(s) shall be effective only for the period agreed upon by Transporter. During such period, the Negotiated Rate shall govern and apply to the Shipper's services and the otherwise applicable rate, rate component, charge or credit which the parties have agreed to replace with the Negotiated Rate, shall not apply to, or be available to, the Shipper. Only those rates, rate components, charges or credits identified by Transporter and Shipper in writing as being superseded by a Negotiated Rate shall be ineffective during the period that the Negotiated Rate is effective; all other rates, rate components, charges, or credits prescribed, required, established or imposed by this this Section 42 or Transporter's Tariff shall remain in effect.

At the end of the period during which the Negotiated Rate is in effect, the otherwise applicable Maximum Rates or charges shall govern the service provided to Shipper.

Shippers paying a Negotiated Rate which exceeds the Maximum Rate will be considered to be paying the Maximum Rate for purposes of scheduling, curtailment and interruption, and calculating the economic value of a request for unsubscribed firm capacity.

For capacity releases with a term of more than one year, or for releases with a term of one year or less that will take effect more than one year from the date Releasing Shipper notifies the Transporter of the release, Replacement Shippers may not bid or pay a rate greater than the Maximum Rate and are not eligible for Negotiated Rates. In the event that capacity subject to a Negotiated Rate which is based on a rate design other than straight fixed

variable is released, Shipper and Transporter may agree on billing adjustments to the Releasing Shipper that may vary from or are in addition to those set forth in Section 33 of the General Terms and Conditions of Transporter's effective FERC Gas Tariff in order to preserve the economic bases of the Negotiated Rate. Such payment obligation and crediting mechanism for capacity release shall be set forth on an Exhibit of the executed Firm Transportation Agreement.

42.2 Order of Discounting

Unless otherwise specified in the Firm Transportation Agreement, to the extent Transporter discounts the rates for service pursuant to this Tariff, the rates for service will be deemed to have been discounted in the following order:

- (a) Reservation Charge, but not below the stated Minimum Rate.
- (b) Commodity Charge, but not below the stated Minimum Rate.

42.3 Types of Discounts

From time to time, a Shipper and Transporter may agree in writing on a level of discount of the otherwise applicable rates and charges in addition to a basic discount from the stated Maximum Rates.

In all circumstances, the discounted rate shall be between the Maximum Rate and the Minimum Rate applicable to the service being provided.

For example, Transporter may provide a specific discounted rate:

- (a) to certain specified quantities under the Agreement (referred to as quantity rate type); or
- (b) if specified quantity levels are actually achieved or with respect to quantities above or below a specified level (referred to as quantity level rate type); or
- (c) during specified time periods (referred to as time period rate type or contract rate type); or
- (d) to receipt points (referred to as point rate type), delivery points (referred to as point rate type), Transportation Paths (referred to as point to point rate type) or defined geographical areas (referred to as zone rate type); or

- (e) in a specified relationship to the quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to quantities actually transported) (referred to as relationship rate type); or
- (f) to provide that if one rate component which was equal to or within the applicable Maximum and Minimum Rate at the time the discount agreement was executed subsequently exceeds the applicable Maximum Rate or is below the applicable Minimum Rate due to a change in Transporter's Maximum Rates and/or Minimum Rates, so that such rate component must be adjusted downward or upward to equal the new applicable Maximum or Minimum Rate, then other rate components may be adjusted upward or downward to achieve the agreed-upon overall rate, so long as none of the resulting rate components exceed the Maximum Rate or are below the Minimum Rate applicable to the rate component. Such changes to rate components shall be applied prospectively, commencing with the date the Commission issues an order accepting applicable revised Maximum and Minimum Rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable (referred to as rate component rate type).
- (g) Based upon published index prices for specific receipt and/or delivery points or other agreed-upon published pricing reference points for price determination. (Such discounted rate may be based upon the differential between published index prices or arrived at by formula and shall be referred to as index price differential rate type.) Each service agreement entered into pursuant to this Subsection 42.3(g) shall not change the underlying rate design; 2) shall not include any minimum bill or minimum take provision that has the effect of guaranteeing revenue; 3) shall define the rate component to be discounted.

FORMS OF SERVICE AGREEMENTS

**PRO FORMA
SERVICE REQUEST FORM**

REQUEST FOR TRANSPORTATION SERVICE

Manager, Contract Administration
OkTex Pipeline Company
100 W. 5th Street, MD 12-4
Tulsa, Ok 74103

Attention:

Gentlemen:

_____ ("Requesting Shipper") hereby requests transportation service from OkTex Pipeline Company and hereby provides the following information in connection with this report:

(a) Complete legal name of Requesting Shipper:

(b) Type of Legal entity and state of formation/incorporation:

(c) Type of Company:

_____	Interstate Pipeline
_____	Local Distribution Company
_____	Intrastate Pipeline
_____	Producer
_____	End-User
_____	Marketer
_____	Broker
_____	Other (fill in)

(d) (1) Name of person responsible for this request, address and telephone number through which correspondence or other communications should be directed. Is this person an employee of Requesting Shipper? If not, state relationship to Requesting Shipper.

(d) (2) Name and telephone number of 24 hour contact person for purposes of dispatching gas to and from receipt and delivery points.

(e) Are additional or new facilities required to receive or deliver gas for the transportation service requested herein?

_____ Yes _____ No

(f) Name and full title of Officer (or General Partner) of Requesting Shipper who will execute a written service agreement with OkTex Pipeline Company.

(g) The maximum daily quantity for which transportation service is requested is _____ Dekatherm with an estimated total quantity of gas to be transported during the requested term of service of _____ Dekatherm.

(h) Name and detailed description of receipt point(s) into OkTex Pipeline Company's system, the names(s) of third party transporters, delivery point(s) where OkTex Pipeline Company will redeliver the gas, and the quantity to be received and delivered at each receipt point and at each delivery point:

(i) (1) Type of service requested:

- _____ OKTEX firm (FTS Rate Schedule)
_____ OKTEX interruptible (ITS Rate Schedule)
_____ Buffalo Wallow firm (FTS Rate Schedule)

_____ Buffalo Wallow interruptible (ITS Rate Schedule)
_____ Midstream firm (FTS Rate Schedule)
_____ Midstream interruptible (ITS Rate Schedule)
_____ Norteño firm (FTS Rate Schedule)
_____ Norteño interruptible (ITS Rate Schedule)___S or___DN

(2) Date service is proposed to commence (which shall not be later than three (3) months after this request is submitted to OkTex Pipeline):

(3) Date service is proposed to terminate (which shall not be earlier than one (1) month from the date service is to commence):

(j) (1) The source(s) of gas supply (to be provided upon execution of the transportation contract by the parties thereto):

(2) The state of the ultimate end user of the gas (to be provided upon execution of the transportation contract by the parties thereto):

(k)(1) a copy of Requesting Shipper's most recent audited financial statements:

(2) a copy of Requesting Shipper's most recent Annual Report and 10-K Form, if applicable, and any other information demonstrating credit worthiness as provided for in Section 26 of the General Terms and Conditions of OkTex Pipeline Company's FERC Gas Tariff; and

(3) a list of Requesting Shipper's affiliates, including parent and subsidiaries, if applicable, including the specific affiliation of the requesting Shipper with OkTex Pipeline Company, and

the extent of OkTex Pipeline Company's affiliation, if any, with the person to be provided transportation service, and the extent of the supplier's affiliation with OkTex Pipeline Company.

(l) (1) Certification by Requesting Shipper that Requesting Shipper has good title to, or a current contractual right to acquire such title to, the gas to be transported by OkTex Pipeline Company.

(2) Certification by Requesting Shipper that prior to the commencement of service by OkTex Pipeline Company, Requesting Shipper has or will enter into all necessary third party transportation agreements to transport the gas to OkTex Pipeline Company and to the party ultimately receiving the gas.

(3) Certification by Requesting Shipper that Requesting Shipper has a sales contract or will enter into such sales contract with the party ultimately receiving the gas, prior to the commencement of service by OkTex Pipeline Company.

(m) Whether any of the gas being transported is subject to take-or-pay relief for OkTex Pipeline Company and, if so, how much,

(n) Whether and by how much the cost of the gas to ONEOK Products Company exceeds the price received for the sale of the gas by ONEOK Products Company, after deducting associated costs, including those incurred for transportation.

Requesting Shipper understands that this Service Request Form, complete and unrevised as to format, must be received by OkTex Pipeline Company before the transportation request will be accepted and processed. Requesting Shipper further understands that OkTex Pipeline Company is an interstate pipeline subject to the regulations of the Federal Energy Regulatory Commission ("Commission") and that Requesting Shipper's request will become part of a log available for public inspection.

Shipper understands that it must reimburse OkTex Pipeline Company for the Commission's filing fees upon receipt of an invoice therefor. Requesting Shipper, by its signature, represents and certifies to OkTex Pipeline Company that the information set forth in this Service Request Form is correct and accurate and that the certifications set forth in paragraph (l) above have been met.

Submitted by:

(REQUESTING SHIPPER)

By: _____
(Name and Title of Officer)

Date: _____

Receipt date for sequencing assigned by OkTex Pipeline Company:

Date: _____

By: _____
(Manager Gas Supply Operations of OkTex Pipeline Company)

Date Shipper notified: _____

**GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE**

between

"Shipper"

and

**OKTEX PIPELINE COMPANY
"Transporter"**

Dated: MONTH _____ DAY _____, YEAR _____

**PRO FORMA
GAS TRANSPORTATION CONTRACT
FOR FIRM TRANSPORTATION SERVICE**

This Contract is made as of the [date] day of [month], [year] by and between the OkTex Pipeline Company, L.L.C., a Delaware Limited Liability Company, herein called Transporter, and [name of shipper], herein called Shipper, pursuant to the following recitals and representations:

WHEREAS Transporter has received and accepted all necessary regulatory and governmental approvals to construct and operate Transporter's System and to transport such gas on behalf of Shipper; and

WHEREAS Transporter and Shipper now desire to establish the terms and conditions under which Transporter will render firm transportation services to Shipper by entering into this Gas Transportation Contract for Firm Transportation Service:

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

ARTICLE I - SCOPE OF CONTRACT

1.1 On the Commencement Date and each day thereafter, Shipper shall cause the Input Quantity for each Receipt Point hereunder, not to exceed the Maximum Input Quantity for each Receipt Point, to be delivered to Transporter at the Receipt Point(s).

1.2 On the Commencement Date and each day thereafter on which Shipper and Transporter schedule gas for transportation hereunder, Transporter shall make the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point, available to or on behalf of Shipper at the Deliver point(s) on a firm basis.

1.3 Shipper shall be solely responsible for securing faithful performance by Gas Supplier(s) in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of Gas Supplier(s) to so perform.

ARTICLE II - RESERVATION OF FIRM TRANSPORTATION CAPACITY

2.1 Shipper hereby reserves the right to cause Transporter to receive from or for the account of Shipper at each Receipt Point during any month up to the sum of the Maximum Input Quantities for such Receipt Point as set forth on the effective Schedule 1 appended hereto and to cause Transporter to make available to or on behalf of Shipper at each Delivery Point during a month the Equivalent Quantities for each Delivery Point as set forth on the currently effective Schedule 1 appended hereto.

2.2 Transporter shall make available to Shipper the transportation service reserved under this Article II on the days and for the quantities of gas for which such service has been reserved, subject to Shipper's compliance with the terms and conditions of this Contract.

ARTICLE III - RATE

3.1 For each Dekatherm of Input Quantity on any day, Shipper agrees to pay and shall pay the applicable Maximum Unit Commodity Rate specified in Rate Schedule FTS as in effect on the day the transportation service is rendered; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Unit Commodity Rate, Transporter shall notify Shipper in writing of the amount of such Discounted Unit Commodity Rate, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of Input Quantity on the day(s) on which a Discounted Unit Commodity Rate is in effect, within the quantity to which such rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Unit Commodity Rate in Lieu of the Maximum Unit Commodity Rate.

3.2 For each Dekatherm per day of Maximum Input Quantity at each Receipt Point, Shipper agrees to pay and shall pay the applicable Maximum Monthly Demand Charge specified in Rate

Schedule FTS as in effect on the day for which transportation capacity has been reserved; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Monthly Demand Charge, Transporter shall notify the Shipper in writing of amount of such Discounted Monthly Demand Charge, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of the Maximum Input Quantity at each Receipt Point on the day(s) on which a quantity to which such rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Monthly Demand Charge in lieu of the Maximum Monthly Demand Charge.

3.3 Shipper agrees that the Transporter shall have the unilateral right to file with the FERC and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's FTS Rate Schedules or (b) any provision of the General Terms and Conditions applicable to such rate schedule, subject to the applicable provisions of the Natural Gas Act and the Commission's regulations thereunder.

ARTICLE IV - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all terms and provisions contained or incorporated herein are subject to the provisions of Rate Schedule FTS and the General Terms and Conditions of Transporter's FERC Gas Tariff as such may be revised or superseded from time to time, which Rate Schedule FTS and General Terms and Conditions are by this reference made a part hereof.

ARTICLE V - TERM

5.1 The Commencement Date shall be the latter of [date] or such date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper hereunder are constructed, installed and made operational, as shall be set forth in Transporters written notice to Shipper.

5.2 This Contract shall be effective as of the date first hereinabove written; provided however, that Transporter shall be under no obligation to receive or to deliver any quantities of natural gas hereunder and Shipper shall be under no obligation for any payments hereunder prior to the Commencement Date.

5.3 This Contract shall continue in force and effect until [date] pursuant to any effective provisions for termination of this Contract by Transporter as stated in Rate Schedule FTS or the General Terms and Conditions for Transportation Service; provided however, that if the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date.

ARTICLE VI - NOTICES

Notices to Transporter shall be addressed to:

Manager Contract Administration
OkTex Pipeline Company
100 W. 5th Street, MD 12-4
Tulsa, OK 74103

Notices to Shipper shall be provided in accordance with Part 8, Section 15 of the General Terms and Conditions.

Either party may change its address under this Article by written notice to the other party.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially or as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Otherwise no assignment of this Contract or any of the rights or obligations hereunder, or any portion of Shipper's effective Maximum Daily Contract Demand shall be made. It is agreed, however, that the restrictions on assignment contained in this Article VII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

ARTICLE VIII - LAW OF CONTRACT

The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Oklahoma and applicable federal law and regulation.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

OKTEX PIPELINE COMPANY

By _____

[NAME OF SHIPPER]

By _____

SCHEDULE 1
to
GAS TRANSPORTATION CONTRACT

between

OKTEX PIPELINE COMPANY
"Transporter"

and

"Shipper"

Dated: MONTH_____DAY_____, YEAR_____

**MAXIMUM INPUT
QUANTITY**

**MAXIMUM EQUIVALENT
QUANTITY**

RECEIPT POINT(S) (Dekatherm)

DELIVERY POINT(S) (Dekatherm)

**GAS TRANSPORTATION CONTRACT
FOR INTERRUPTIBLE TRANSPORTATION SERVICE**

between

"Shipper"

and

**OKTEX PIPELINE COMPANY
"Transporter"**

Dated: MONTH_____DAY_____, YEAR_____

**PRO FORMA
GAS TRANSPORTATION CONTRACT
FOR INTERRUPTIBLE TRANSPORTATION SERVICE**

This Contract is made as of the [date] day of [month], [year] by and between the OkTex Pipeline Company, L.L.C., a Delaware Limited Liability Company, herein called Transporter, and [name of shipper], herein called Shipper, pursuant to the following recitals and representations:

WHEREAS Transporter has received and accepted all necessary regulatory and governmental approvals to construct and operate Transporter's Systems and to transport such gas on behalf of Shipper; and

WHEREAS Transporter and Shipper now desire to establish the terms and conditions under which Transporter will render interruptible transportation services to Shipper by entering into this Gas Transportation Contract for Interruptible Transportation Service;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed. Transporter and Shipper agree as follows:

ARTICLE I - SCOPE OF CONTRACT

1.1 On the Commencement Date and each day thereafter on which Shipper and Transporter schedule gas for transportation hereunder, Shipper shall cause the Input Quantity for each Receipt Point hereunder, not to exceed the Maximum Input Quantity for each Receipt Point, to be delivered to Transporter at the Receipt Point(s).

1.2 On the Commencement Date and each day thereafter on which the Input Quantity is delivered to Transporter at the Receipt Point(s) pursuant to Section 1 of this Article I, Transporter shall, subject to interruption of service by Transporter in accordance with this Contract and Transporters Tariff, make the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point, available to or on behalf of Shipper at the Delivery Point(s).

1.3 Shipper shall be solely responsible for securing faithful performance by Gas Supplier(s) in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of Gas supplier(s) to so perform.

ARTICLE II - INTERRUPTIBLE TRANSPORTATION CAPACITY

2.1 Shipper hereby contracts for the right to cause Transporter to receive from or for the account of Shipper at each Receipt Point up to the Maximum Input Quantity for such Receipt Point as set forth on the effective Schedule 1 appended hereto, on any day on which Transporter has interruptible capacity available to Shipper, and to cause Transporter to make available to or on behalf of Shipper on an interruptible basis at each Delivery Point on such day the Equivalent Quantity corresponding to the Input Quantity, not to exceed the Maximum Equivalent Quantity for each Delivery Point as set forth on the currently effective Schedule 1 appended hereto.

2.2 Transporter shall make available to Shipper the transportation service contracted for under this Article II on the days and for the quantities of gas for which Transporter has interruptible capacity available to Shipper, subject to Shipper's compliance with the terms and conditions of this Contract.

ARTICLE III - RATE

3.1 For each Dekatherm of Input Quantity on any day, Shipper agrees to pay and shall pay the applicable Maximum Unit Commodity Rate specified in Rate Schedule ITS as in effect on the day the transportation service is rendered; provided however, that in the event that Transporter determines, in its sole discretion, to render transportation service on behalf of Shipper for a Discounted Unit Commodity Rate, Transporter shall notify Shipper in writing of the amount of such Discounted Unit Commodity Rate, the day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each Dekatherm of Input Quantity on the day(s) on which a Discounted Unit Commodity Rate is in effect, within the quantity to which such rate

applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable Discounted Unit Commodity Rate in lieu of the Maximum Unit Commodity Rate.

3.2 Shipper agrees that Transporter shall have the unilateral right to file with the FERC and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's ITS Rate Schedules or (b) any provisions of the General Terms and Conditions applicable to such rate schedule, subject to the applicable provisions of the Natural Gas Act and the Commission's regulations thereunder.

ARTICLE IV - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all terms and provisions contained or incorporated herein are subject to the provisions of Rate Schedule ITS and the General Terms and Conditions of Transporter's FERC Gas Tariff as such may be revised or superseded from time to time, which Rate Schedule ITS and General Terms and Conditions are by this reference made a part hereof.

ARTICLE V - TERM

5.1 The Commencement Date shall be the latter of [date] or such date on which the natural gas facilities required to enable Transporter to render transportation service to Shipper hereunder are constructed, installed and made operational, as shall be set forth in Transporter's written notice to Shipper. Transporter shall be under no obligation to receive or to deliver any quantities of natural gas hereunder and Shipper shall be under no obligation for any payments hereunder prior to Commencement Date.

5.2 This Contract shall be effective as of the Commencement Date, and shall continue in full force until [date] and month-to-month thereafter, until terminated as hereinafter provided. This contract may be terminated by Transporter, in accordance with Transporter's FERC Gas Tariff, or by either Transporter or Shipper upon at least sixty (60) days prior written notice by Shipper and/or Transporter, specifying a termination date. If the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date.

ARTICLE VI - NOTICES

Notices to Transporter shall be addressed to:

Manager Contract Administration
OkTex Pipeline Company
100 W. 5th Street, MD 12-4
Tulsa, OK 74103

Notices to Shipper shall be provided in accordance with Part 8, Section 15 of the General Terms and Conditions.

Either party may change its address under this Article by written notice to the other party.

ARTICLE VII - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially or as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Otherwise, no assignment of this Contract or of any of the rights or obligations hereunder or any portion of Shipper's effective Maximum Daily Contract Demand shall be made. It is agreed, however, that the restrictions on assignment contained in this Article VII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

ARTICLE VIII - LAW OF CONTRACT

The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Oklahoma and federal law and regulation.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

OKTEX PIPELINE COMPANY

By _____

[NAME OF SHIPPER]

By _____

SCHEDULE 1
to
GAS TRANSPORTATION CONTRACT

between

OKTEX PIPELINE COMPANY
"Transporter"

and

"Shipper"

Dated: MONTH_____DAY_____, YEAR_____

**MAXIMUM INPUT
QUANTITY**

**MAXIMUM EQUIVALENT
QUANTITY**

RECEIPT POINT(S) (Dekatherm)

DELIVERY POINT(S) (Dekatherm)

SCHEDULE A

Shipper's Form

Shipper _____ Shipper # _____

Offer # _____ Contract # _____

_____ Permanent or _____ Temporary

_____ Firm or

_____ Interruptible (recall)

_____ Primary release or _____ Secondary release of

primary contract # _____

OFFER: Point	FTS Volume (Dekatherm/day)	Delivery
	_____	_____
	_____	_____
	_____	_____
Total	_____	

Beginning date: _____ Ending date: _____

Specify objective criteria to be used by OkTex to determine the "best bid" if the criteria in OkTex's tariff is not to be used.

If Applicable:

Subject to prearranged bid: _____ yes* _____ no

Prearranged bidder's name: _____

Minimum bid price (demand charge) per Dekatherm: \$ _____

Type of recall: _____ Specified dates: _____

Events: _____

Prepayment of demand charges required: _____ yes _____ no

Other minimum conditions: _____

Contingent bids: If the Shipper is willing to accept contingent bids, specify in detail the contingencies (in form, content, and operation) that are acceptable: _____

* This offer must list all terms of the prearranged bid as the minimum terms.

SCHEDULE C

Bidder's Form

Bidder: _____ Bidder # _____

Bid for: Contract # _____ and Offer # _____

Beginning Date: _____ Ending Date: _____

Indicate if you are a prearranged bidder: _____ yes _____ no

Price (demand charge) bid per Dekatherm: \$ _____

Is offer for full volume at points offered? _____ yes _____ no

If no, total volume bid on: _____ Dekatherm

FTS Volume (Dekatherm/day)

Delivery Point

Response to other terms of offer: _____

Contingencies: _____

If this bid is contingent on the outcome of another bid or bids, specify the priority to be given to this bid, i.e., first, second, etc.: _____

For pipeline use only:

Date: _____ Time _____ Bid # _____

Total demand charge revenues \$ _____

RESERVED FOR FUTURE USE

INDEX OF SHIPPERS

OkTex will file an index of customers as of the first business day of each calendar quarter pursuant to section 284.13 (c). OkTex will also post the index of customers as of the first day of each calendar quarter on OkTex's Internet web site in accordance with the standards adopted in 284.12.

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**OkTex Pipeline Company, L.L.C.
Volume No. 1
Tariff**

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